

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

1. 914
A2 P942
Copy 2

For Official Use Only

P R O S P E C T U S

YEARBOOK OF AGRICULTURE 1954

M A R K E T I N G

Alfred Stefferud, Editor
Office of Information
United States Department of Agriculture
Room 541, Administration Building
Washington 25, D. C.
(Telephone: 3298)



YEARBOOK OF AGRICULTURE 1954

The members of the 1954 Yearbook Committee are:

Harry C. Trelogan, Chairman, ARA

E. C. Elting, OES

O. V. Wells, BAE

S. R. Newell, BAE

Mylo Lacy, EXT.

Gertrude Weiss, BHNHE

Joseph G. Knapp, FCA

W. C. Crow, PMA-MFRB

A. E. Browne, PMA-F&V

Roy V. Lemmartson, PMA-ADM

F. T. Pentzer, BPISAE

Frederick V. Vaughn, BAE

Herman Southworth, Secretary, BAE

Alfred Stefferud, Editor, INF.

NOTES FOR WRITERS

Nearly 300,000 copies of the Yearbook are printed. The book has an estimated million readers. No other current publication has the same number and type of readers or offers such an opportunity to a scientist to announce his findings and discuss his work. The importance of the publication demands the fulfillment of several obligations and professional standards in writing, preparation of manuscript, attitude toward the assignment, promptness in submitting contributions and returning proofs, and fairness to all persons and colleagues. The contributor should bear in mind that this is a cooperative venture of the Department of Agriculture, not of one bureau.

1. Our readers include: Farmers, city dwellers and others who have no prior interest in our subject, but whose interest might be attracted; high school students; businessmen, economists, teachers, Government officials, and others who need reference material; housewives; college students; county agents; Congressmen; writers. Among our wide range of readers are only a few bureau chiefs, graduate students, and learned doctors -- but the fact is that they, too, appreciate clear writing and useful information as much as high school students do.

2. The deadline for receipt of articles by the editor is April 30, 1953. Authors should allow ample time before that for the customary bureau clearance and technical editing. The editor assumes that when a manuscript is submitted to him it is technically accurate and fully approved.

3. We do not specify the length of your article. A rough average would be 4,500 words, about 20 typed pages. Use the words you need to discuss the subject completely, clearly, and interestingly. No one needs to resort to terms like "Space does not permit me to..." or "In this brief paper, room is lacking...." Space, however, is always at a premium; do not overwrite.

Make every word count. Do not waste space on a long introduction. Long sentences are not bad in themselves, but they often indicate redundancy. Avoid summaries that merely repeat earlier material. Organize your material; outline your article first; know beforehand what you are going to say; then say it. Get a logical train of thought and follow it. Rework your manuscript several times, asking yourself each time: Is this clear? Is it terse? If your outline is good, there is seldom a need to back-track (e.g., "as was pointed out in the foregoing paragraph"). Avoid verbosity in favor of the simple direct English (e.g., "soon" for "in the near future"; "we learned" for "on the basis of a series of experiments it was demonstrated that..."; "in summer" instead of "during the warm summer months," and many more). Try to avoid, as space wasters, passive verbs. Good paragraphing, so that one discusses only one clearly identified point at a time, saves words.

4. Some random suggestions about choice of words:

Avoid dangling participles (e.g., "Applying pressure to such infected berries, the skin slips away..." should be "Applying pressure, one causes the skin...").

Avoid beginning sentences with this or those when the antecedent is not a precise noun.

Do not overwork since when because or as can be used.

Due to requires a definite noun: "The failure was due to lack of study."

Avoid clauses like, "Many investigations showed that...." Giving the fact itself on your own responsibility is better.

Under Florida conditions and similar phrases are jargon.

Problems is overworked.

We use First World War and Second World War, but we prefer using the years unless war bears on the point.

Use one word instead of a phrase whenever possible -- about for with regard to; if for in the event that or provided that; though for despite the fact that; before for prior to; after for subsequent to, etcetera.

Watch parallel constructions -- e.g., "The lesion was brown, sunken, and on the branches" should be "...brown, sunken, and persistent (or a third adjective)...."

That and which often involve meaning, not merely style.

Avoid using nouns as adjectives -- a common practice that makes for heavy writing.

Certain could better be some or a more precise term -- at certain intervals: every 3 or 4 days; certain workers: some workers.

Areas often is loosely used for districts, counties, localities, States, regions.

Define unusual terms the first time they are used by synonyms in parentheses or within commas or, even better, as a part of the next sentence.

Avoid abbreviations in the text.

Avoid prepositional phrases at the beginnings of sentences. "The study began in Florida in 1913..." instead of, "In 1913, a study was started...."

— Avoid phrases like "last year," "recently," "a few years ago." Be specific as to year; remember this volume will appear in 1954, but will be in circulation much longer than that. Consequently a term like "this spring" is meaningless.

Avoid saying in the text, "Brown's findings were..." or "Smith and Jones disproved the theory...." Instead, gain accuracy and completeness by a phrase like "Lyle P. Brown, in experiments at the Alabama Agricultural Experiment Station, found that...."

5. The introduction and conclusion require extra thought. The introduction, the vital paragraph that determines whether the reader will continue reading your article or whether, so to speak, all your effort will be wasted, might well be a short statement of one challenging fact. A good device is a one-sentence paragraph so compact that it requires no internal punctuation. The introduction, besides attracting the reader, lays the groundwork for what follows. Usually questions do not make good introductions. A narrative flavor is good. Avoid like the plague long, historical introductions; they are dull, overworked, and usually not pertinent to the main point of the article. It's much better to jump immediately into the article.

We do not use "learned journal" summaries; they waste space. They are unnecessary if the article is properly written. Experienced writers save out a particularly good fact from the main body for use in the conclusion -- a fact that grows out of the text, looks forward, summarizes the main thought succinctly, and leaves a good feeling with the reader. Try for a pointed, crisp conclusion.

6. Material submitted for publication in the Yearbook should not be published or offered for publication elsewhere before it is printed in the Yearbook or definitely rejected by the editor.

7. The Yearbook Committee plans the scope, content, and structure of the volume and advises the editor on problems of technical accuracy, suitability, and completeness. Problems of writing, presentation, duplication, illustration, and such are handled directly by author and editor after an article is submitted, not through a Committee Member or bureau official, although the editor usually keeps them informed of such details. There must always be the possibility of direct exchange between author and editor. Proofs particularly must be returned directly and expeditiously. All manuscripts are subject to revision by the editor. Usually they are returned to the authors before publication for comments, approval, additions (to keep them up-to-date), and corrections. Changes, however extensive, are always subject to the author's full, if not enthusiastic, approval. Changes are made primarily to remove duplication and repetition, eliminate wordiness and similar faults, enhance readability, and remove phrases, terms, examples, and such that are not objectionable in themselves but may be used in too many articles.

8. Contributors and other interested persons are invited to submit to Committee Members suggestions for papers not listed in this Prospectus, which is not offered as a final, static document. We want our book to be up-to-date, fresh, and living -- and different, not a rehash of old material.

9. Because the actual printing takes at least 6 months and the editing up to 6 months more, as much as a year elapses between the writing of an article and the appearance of the Yearbook. Authors, therefore, should follow through on their manuscripts and be sure that in each of its steps it remains accurate and up-to-date as of that particular date.

10. This Prospectus is not a secret or restricted document, but a great deal of effort is saved if each person to whom it is sent will remember that it is for his own use only and not for wide discussion or announcement.

11. Entries in this outline are topics, not necessarily the titles of the articles. Titles that authors use on their manuscripts should be short, accurate, and attractive. Changes may be made in them to conform to typographic style yet to be chosen.

12. Subheads will follow the practice of the 1949, 1950-1951, and 1952 Yearbooks. They are merely a line of space; the two or three key words that begin the next line are set in small capitals. The device saves up to 30 pages in the book and improves the appearance, particularly because of our narrow columns. Do not, therefore, use subheads as such as in your manuscript. Subheads cannot be a substitute for good organization of thought and proper transition.

13. Avoid footnotes.

14. Publications may be mentioned in the text with full name of author and the work. We do not cite literature by numbers in parentheses in the text. For bibliography, authors may submit (on separate sheets) a list of major contributions bearing on his topic; these should give titles, authors, and other data accurately and without abbreviations.

15. Charts and line drawings are welcome. Contributors are invited to submit color and black-and-white photographs, although we shall not know until the appropriation bill is passed in 1953 whether we can use them. (The same contingency applies to all our plans, of course.) Do not send negatives of black-and-white photographs. Pack and label the pictures carefully. All precautions are taken, but the editor assumes limited responsibility for the return of photographs.

We try to get along without tables in the text. Tables (and charts, drawings, graphs, and such) will be a major part of the Atlas of Marketing. They are expensive and hard to fit into our narrow

columns in regular text. Often the details in them are more effectively presented as written matter; often they are submitted merely out of habit. Most readers skip tables. If tables are submitted, nevertheless, they must be on separate sheets by themselves, no matter how small. We cannot use what are generally called "text tables." Tables, like charts and other "art" items, are set and handled separately. Do not use phrases like Fig. 3 or See chart 6 in the text. All items -- text, charts, tables -- should be self-contained, with a minimum of cross-reference.

16. Author's note -- Instead of identifying the author in a footnote on the first page, we plan to continue the practice of printing at the end of the article the author's name, position, and affiliation, with details of his professional career and experience.

17. Reprints can be obtained, as usual. Details of obtaining reprints are not handled by the editor of the Yearbook; consult your division of information regarding reprints or (if you are not in USDA) the Superintendent of Documents when the Yearbook is in print.

18. The following notes on writing are excerpts from a booklet The Publication of Research, issued by the Agricultural Research Administration in January 1945; the booklet reproduces a talk by the late Dr. E. V. Allen, who was Chief of the Office of Experiment Stations from 1915 to 1929:

The purpose of writing is not only to express ideas, but to communicate them to others. Science is not inherently dull, heavy, and hard to comprehend; it is essentially fascinating, understandable, and full of charm. It is simple, after it has been worked out, and is capable of being stated in concise terms easily understood.

But to succeed in conveying ideas correctly and in a readable way requires considerable effort on the part of most of us. It calls for time to do it well. It is just as important as making more experiments, although the worker may not like it as well, and it is quite as worthy of his best effort.

The aim in publishing research, as well as in carrying it on, is to leave the field clearer than you found it. If that cannot be done it is doubtful whether a scientific paper is justified. There cannot be clear writing without clear thinking, and when one learns to write clearly, he will in the process learn to think clearly. Indeed it may be doubted whether thought and its expression can be separated.

Clearness is absolutely essential in technical writing. It is not enough to use language that may be understood -- it is necessary to use language that cannot be misunderstood.

Having something to say, therefore, say it in your own way, provided you use good diction, the right word, and a simple form of expression.

Remember the reader. Be sympathetic toward him. He must make some effort, but he is not bound to follow you through. The writer has not the same hold on his audience that the speaker has.

Brevity is another important quality of a technical paper. This does not mean that the presentation should not be adequate to a clear understanding of what is reported and ability of the reader to judge the merits of the contribution; but the length should be proportionate to the actual contribution. Nowhere are more skill and judgment required.

The question of what to leave out will be one for very careful consideration, which frequently cannot be settled at the first writing. On review it may be found that considerable may be left out without sacrificing anything really essential. Descriptions and statements of facts gain force by brevity and by sticking quite closely to the real kernel of the subject.

As a rule, the more definitely a fact has been established by an investigation, the more directly and simply it can be presented. It is the doubtful ones that have to be hedged about with explanations, qualifications, and cautions.

The style of the technical paper should be simple, straightforward, and dignified. It should suggest neither a fairy tale, a sensational newspaper story, nor a sermon, but rather a simple, unaffected, and uncolored account of work done and its application. Accuracy and clearness ought never to be sacrificed to a supposedly more popular style. The presentation should be such as to win the reader's confidence in the thoroughness and reliability of the work reported.

NOTES ON TYPING MANUSCRIPTS

The Style Manual of the Government Printing Office governs capitalization, compounding, spelling, abbreviations, numerals, punctuation, syllabication, and plant names.

Submit to the editor (through the office of Harry C. Trelogan, ARA, chairman of the Yearbook Committee) the ribbon copy and the first carbon copy. The ribbon copy should be on good bond paper, not second sheets or onion skin, on which one can readily write with ink or pencil. The carbon copy, which also is used in editing (not merely for filing), must be perfectly legible. Use a fresh black ribbon. Change carbons often.

All material should be double-spaced; single spacing is not permitted anywhere -- not even in captions, at the bottoms of pages, or in the bibliography.

Do not run a paragraph over from one page to the next; they cannot be sent that way to the printer. That does not mean one paragraph to a page -- several paragraphs may be put on the same page so long as the last one does not run over. If a single paragraph is too long for one page, type the rest on another sheet and paste it to the bottom of the page. Do not use Scotch tape for any purpose on manuscripts.

Leave about 3 inches space at the top of the first page and $1\frac{1}{2}$ inches at the sides. Other pages should have $1\frac{1}{2}$ -inch margins at the top and sides. Don't cramp pages, please; space is needed for marking type and instructions to the printer.

The number given the manuscript in this Prospectus should appear in the upper right-hand corner of the first page.

Underscoring means italics -- use it sparingly and advisedly, and not for emphasis.

Do not staple the pages of the manuscript together; use paper clips.

Captions for photographs go on separate sheets -- one caption only on a page. Tables, author's note, and bibliography also go on separate sheets.

Indicate subheads by skipping a few lines and underlining the first few words -- three lines under letters that are capitalized and two lines under the others (to indicate small capitals). The lines may be drawn in ink.

The sample pages of manuscript that follow show a model page 1 and a later page, on which a subhead occurs.

How Insecticides Are Developed

H. C. Roark

New insecticides are developed in two ways.

The first is by determining the structure of the active principles of plants recognized as toxic to insects. Then the principles or other compounds closely related to them are synthesized -- put together again to make the whole.

The second is by testing compounds of known structure and unknown toxicity upon several species of insects and selecting the ones that are effective.

The first method starts with a material of known toxicity but unknown structure. The second starts with a compound of known structure but unknown toxic value.

In 1943 the division of insecticide investigations of the Bureau of Entomology and Plant Quarantine received from Mexico City the roots of a plant reported to be used by Mexicans as an insecticide. The plant was incorrectly labeled Erigeron affinis, but Department botanists later identified it as Heliopsis longipes. The active principle was isolated and was identified as *n*-isobutyl-2,6,8-decatrienamide. Three other species of the genus Heliopsis were collected in several parts of the United States and tested for insecticidal value. Laboratory tests disclosed that all the species, particularly their roots, were toxic to house flies.

The first synthetic organic compounds used to kill insects were employed as fumigants. Carbon disulfide, made by the direct combination of carbon and sulfur, may be regarded as one of the simplest organic compounds. It was first used as an insecticide nearly 100 years ago in France. Paradichlorobenzene, originally a byproduct in the manufacture of chlorobenzene, was used as a substitute for naphthalene in combatting clothes moths in Germany in 1911.

CONDENSED OUTLINE

A. Why We Have Marketing

1. Basic Purposes and Underlying Patterns
2. Functions Performed and Services Rendered
3. Size and Scope of the Business
4. Aggregate Costs and Charges

B. How Farm Products Enter the Marketing System

1. Marketing Directly to Consumers
2. Marketing Through Local Intermediaries
3. Selling to Factories or Processors
4. Marketing Through Terminal Agencies
5. Marketing Cooperatively

C. Bringing the Products Together

1. Moving Products From Farms
2. Assembling for Shipment
3. Forwarding the Products
4. Terminal Markets

D. Distributing the Products

1. Wholesaling
2. Retailing
3. Restaurants and Institutional Buying
4. Consumer Purchasing
5. Selling in Foreign Markets

E. Auxiliary Services

1. Transportation
2. Storage
3. Processing
4. Packaging
5. Grading
6. Communications

F. Ownership and its Transfer

1. Role of Ownership
2. Risk Bearing
3. Financing
4. Methods of Ownership Transfer
5. Futures Trading and Forward Selling
6. Pricing

G. Ties Between Markets

1. Market Regulations
2. Market Information
3. Trade Associations
4. Integration of Marketing Firms
5. Inter and Intra Market Relationships

H. Marketing Incurs Controversy

1. Fast Dealing by Traders
2. Early Forms of Monopoly Advantage
3. Controversial Role of Marketing

I. Measures to Reduce Argument

1. Systems of Measurement
2. Standardized Weights and Measures
3. Protecting Shippers
4. Safe Storage of Commodities

J. Health and Welfare Issues

1. The Fight for Pure Foods
2. Safeguarding Milk
3. Synthetics, Additives, and Pesticides

K. Big and Little Business

1. Economy of Scale and Competition
2. Chains vs. Independents
3. How Much Transportation Regulation
4. Farmers' Rights in Operating Cooperatives

L. Kind and Degree of Competition

1. Maintaining Equity in Exchanges
2. Fair Trade or Price Fixing
3. Interstate Trade Barriers
4. New Product Discrimination
5. Unfair Levies Against Marketing
6. Pricing by Formula
7. Marketing Agreements and Orderly Marketing
8. Competition Under Price Supports

M. Market Responsibilities

1. Payment for Quality
2. Let the Buyer Beware! (Honest information)

M. Market Responsibilities--continued

3. Compulsory Grade Labeling - Arguments for and Against
4. Who Advertises and Why?
5. In Depression and Prosperity
6. Role of Government in Marketing

N. Marketing Changes: Cause and Effect

1. Marketing Problems of Modern Commercial Agriculture
2. Supplying a Growing Industrial Population
3. Contributing to Higher Living Standards

O. Technology and its Promise

1. Adapting Rail, Motor, and Air Transport to Market Use
2. Recent Trends in Processing
3. From Refrigeration to Food Freezing
4. Saving Labor in Handling and Distribution
5. Opportunities for Quality Maintenance and Improvement
6. Packaging for Mass Distribution

P. Changes in Market Organizations and Institutions

1. Chain Stores Introduce a Trend
2. Bypassing the Terminals
3. Self-Service and Supermarkets
4. Labor Practices and Productivity
5. Applying Management Control in Marketing Firms
6. Facilitating Pricing and Distribution Through Market Organization
7. Ascertaining Consumer Wants

Q. Toward a Better Marketing System

1. Is Our Marketing Efficient?
2. Research as a Dynamic Force
3. Education Promotes Improvement
4. Technical Assistance Speeds Advance
5. Basic Requirements: Flexibility and Competition

R. Marketing Atlas

1. Food Grains
2. Feed Grains
3. Livestock
4. Poultry, Including Turkeys and Eggs
5. Dairy Products
6. Fruits and Vegetables
7. Tobacco
8. Cotton

A. WHY WE HAVE MARKETING

1. Basic Purposes and Underlying Patterns. (O. V. Wells, BAE)

This introductory article is intended to stimulate interest as well as to be informative by treating the questions of why we have marketing and why farmers are interested. The first question is treated by indicating that specialized production creates the need for marketing, illustrating by tracing the development of geographical specialization of agricultural production and pointing out how the same principles of specialization apply to other functions both within marketing itself and in the economy as a whole. The purposes of marketing, namely, to deliver agricultural products received from farmers to consumers in forms, at times, and places desired, should be pointed out. Also it should be shown that marketing involves the facilitation of exchange of ownership, the allocation of supplies among buyers and of returns among those contributing to the production, and the provision of guidance to producers for planning future production.

Cite the fact that the objectives of different groups participating in marketing conflict and point out how these opposing objectives have to be reconciled in the public interest. Proficiency of the marketing system, it should be pointed out, needs to be measured in terms of its ability to get the maximum volume of the desired varieties of farm and food products to consumers in proper forms and conditions with the lowest possible cost.

Unless a foreword to the book does so, this article should point out that since the bulk of marketing activities are segregated from farm production, the book necessarily deals with functions, services, and problems that occur off the farm. Nevertheless, farmers cannot dispense with these activities and need to understand them better because of their dependence on them. In short, the farmer looks to the market for his income and consequently must be concerned about it. Consumers share the farmer's interest because they too are dependent upon the successful and efficient conduct of agricultural marketing activities. Since the consumer spends his income in the market, the book should appeal to consumers as well as to farmers and to market operators, the description of whose activities will comprise a large share of the book. The Yearbook is intended to promote a better understanding of marketing on the part of all these participants.

2. Functions Performed and Services Rendered. (Robert M. Walsh, ARA)

An outline of the number and varieties of functions of marketing designed to achieve the basic objectives, including assembly, processing, storage, transportation, wholesaling, retailing, ownership transfer, and pricing, plus auxiliary services such as financing, risk bearing, and advertising, will serve to indicate the wide array of functions involved in marketing. The increasing amount of services demanded of the marketing system should be pointed out, such as washing greens, pre-packaging meat, pasteurizing and home delivery of milk, cooking the beans and potatoes, preparing the cake mix. In view of the fact that

more services incur greater costs, questions may be raised regarding what services are necessary and how the indispensable services can be performed most efficiently, and how people can refrain from buying the services if they don't want to pay for them. Point out that the inclusion of processing in the concept of marketing used in this book and in agricultural marketing generally is frequently at variance with the concepts of marketing accepted in other industries. The concept used for this book is designed to make a delineation between farm production and agricultural marketing activities which together comprise production in an economic sense. Identify where farm production stops and marketing begins by indicating the farm gate as a possible dividing point but recognize that all production planning and practices must be oriented to market requirements.

Outline the extreme diversity of the agricultural marketing job arising from the different characteristics of farm products such as bulkiness, perishability, fragility and end uses. Also that the products characteristically must be assembled from a large number of small producing units, sometimes widespread geographically, and highly seasonal in output; and must be made available daily, throughout the year, to consumers in all types of communities in all parts of the country. Show how these characteristics lead to the wide variety of enterprises, organizations, and institutions that are engaged in performing the services, bringing out the tremendous task of organization of supply lines that is accomplished. (Feeding an army is in many respects simpler.)

3. Size and Scope of the Business. (Jay Atkinson, Commerce)

This article is intended to indicate that the marketing of farm and food products is a major industry in terms of magnitude as well as essentiality. This may be done by providing estimates of the number of firms, the capital investment, and the number of employees engaged. The estimates should be broken down to the extent possible by types and sizes of firms, by types of capital investment, and by classes of workers. They may be further subdivided in terms of those engaged in different functions such as processing, distributing, regulating, etc. The article should cite the contributory role of firms not wholly engaged in agricultural marketing such as railroads, banks, insurance companies, and department stores. It should also cite the widespread location of agricultural marketing businesses, pointing out that the firms are located in virtually every city, town, and hamlet and that they have a dominant position in the commerce and industry of rural areas or States.

4. Aggregate Costs and Charges. (Kenneth E. Ogren, RAE)

This article is intended to indicate how much agricultural marketing costs and to suggest why the costs are so much. This may be done by citing several types of data such as the proportion of national income spent for agricultural products, the spreads between farmer and consumer prices, the proportion of the consumer's dollar spent for food that goes to marketing services, and the proportion of income of different income groups spent for marketing services. The presentation should indicate the components of cost that may be allocated to management, labor,

interest, and profits or that may be allocated to the different functions of marketing. It should also indicate how price spreads vary between types of commodities and the factors that influence the spreads. Fluctuations in business conditions, differences in the kinds and amounts of marketing services required and technological changes should be featured among the factors influencing the costs and changes.

This article would deal primarily with aggregate data leaving individual commodity analyses to other articles proposed for the last section of the book.

B. HOW FARM PRODUCTS ENTER THE MARKETING SYSTEM

1. Marketing Directly to Consumers. (L. A. Bevan, University of New Hampshire)

When a farmer considers the market outlet, channel, or method he will use to sell his produce, the first of several ways that logically comes to mind is to do his own marketing by selling directly to the consumer himself. In times past his opportunities to exercise this choice were much better than they are now, because he tends to be farther away from the big consuming groups, he is probably specialized so that he hasn't the time and facilities to distribute all his output, and he might have to provide processing, storage, delivery, and credit services that he is ill equipped to do on a paying basis. As the first article in this section, bring out the factors that, historically, have reduced the relative importance of this kind of marketing -- production specialization, growth of cities with consequent complexity of organizing food supplies, health protection requirements (e.g., milk), etc.

Nevertheless, several methods of direct sale to consumers employed by farmers should be outlined and described indicating the rather limited circumstances under which they might be expected to be successful. The circumstances would include adaptation to rural rather than metropolitan markets, small farming operations with labor not fully used in production, products that need little processing or care, and access to flows of traffic where many consumers might be reached conveniently. The methods might include roadside stands for fruits and vegetables, producer-dealer arrangements for milk delivery, farmers' market stands in nearby towns, community enterprises such as family canning centers, and local food locker plants. Cite how farmers have managed to use these methods to their advantage.

Indicate that the aggregate volume of direct sales by farmers is small and has little prospect of expansion. These methods must be regarded as vestiges of a more primitive, less specialized marketing system that has been largely supplanted by the other arrangements described in the articles immediately following.

2. Marketing Through Local Intermediaries. (A. V. McKay and
M. A. Abrahamsen, FCA)

This article is intended to discuss farmers' opportunities to sell to local buyers other than consumers, processors, or local agents for processing firms. These buyers include local retail merchants or peddlers who serve as a liaison between farmers and nearby consumers including other farmers, and also country buyers, merchant truckers, concentration shipping yards, local elevators and local traders who take ownership but resell the products in essentially the same form elsewhere in terminal markets, to processing plants or through auctions.

Describe the conditions under which these types of operators best serve farmers. Indicate the extent to which they facilitate trade among farmers, perform the first assembly functions, and provide services of credit, transportation, and grading. Discuss how smaller farmers tend to use them more than large farmers who can ship directly to central markets, and indicate the relative essentiality or efficiency of these types of operators for performing particular services. Discuss also their competitive relationships and where they tend to fit into the larger market structure.

Point out types of combination businesses that might be regarded as characteristic such as those that sell supplies to farmers as well as buy produce. As a means of stabilizing employment in off seasons, inasmuch as the farm supply purchasing side of farm marketing is treated only incidentally in the Yearbook, some brief essential information regarding the total volume and how it is handled might be woven into the discussion of the integration of both buying and selling activities in firms dealing with farmers.

3. Selling to Factories or Processors.

Describe the wide array of processing plants or firms to which farmers may sell their products directly. Endeavor to identify classes or groups such as local processors (gins, creameries, oil mills) and central processors (meat packers, sugar mills, large canneries) suggesting the factors determining which types tend to prevail. The factors might include economies of scale, preservation of perishables, reduction of bulk or weight for long-distance transport, byproduct utilization, and blending operations.

Discuss the different types of buying and selling arrangements with farmers such as cash sales, contracts, forward buying, pooling, and sales agreements. Suggest the factors that tend to influence the method used such as the degree of perishability of the raw materials, seasonality or continuity of production, the kinds and varieties of end products, and the nature of competition.

Measures of the relative volume of farmer sales through these outlets might be cited. Also the wide range in size of firms and different methods used to solicit farmer patronage.

4. Marketing Through Terminal Agencies. (L. J. Norton, University of Illinois)

When a farmer decides to sell his produce in a central or terminal market as contrasted with direct sales to consumers, local buyers, and processing plants he may have several choices of methods and outlets. This article is intended to describe the types of alternatives and suggest the advantages of each. The types to be included are selling directly to wholesale receivers or other market operators, selling through auctions or exchanges accessible to the farmers, and selling through agents such as brokers and commissionmen. The article might begin by pointing out the conditions that must exist for a farmer to be able to sell through terminal market agencies.

Indicate the services performed, the costs incurred and the buying and selling arrangements usually employed for each of the respective methods. Discuss the relative advantages of the methods and the circumstances under which the farmer would likely find the different types advantageous to him. Also indicate which types are expanding or contracting in particular commodity markets, suggesting the reasons for the changes that are evidently occurring. Suggest some of the kinds of information, protection, and arrangements a farmer may need to have to be assured of fair and equitable treatment in his transactions with distant buyers.

Bring in incidentally that these types of outlets are also used by local assemblers and processors of farm produce like packing sheds and cheese factories, comparing their position relative to the terminals with that of the farmers themselves.

5. Marketing Cooperatively. (Harold Hedges, FCA)

This article should be regarded as the main discussion in the Year-book on selling and buying through farmers' cooperatives. It should give most attention to selling, indicating how cooperative enterprises are adapted to each type of outlet available to farmers such as local sales, sales to processors operating processing plants, and sales to terminal markets. Show how cooperation enables farmers to keep a hand in the marketing of the fruits of their own production, and are thereby able to satisfy some of their natural interest in following their products through marketing channels.

Discuss basic principles and methods of cooperatives and their adaptation to the different types of markets and market functions such as bargaining, assembling, processing, and distributing. Explain the methods of remuneration that enable farmers to share in costs and returns, provide added competition in business, and give farmers greater familiarity with marketing problems.

Outline essential factors necessary to ensure success pointing out that adequate volume, competent management, and the like are needed just as in any other type of business, and that member relations, participation, and interest are necessary to make for success as a cooperative.

Discuss organization and integration of cooperatives to enable them to cover wider areas or extend their services further along the stages of marketing.

Treat the subject of cooperative buying incidentally, perhaps in connection with a discussion of the extent to which it is integrated with selling functions by cooperatives.

Emphasize the how of cooperation, leaving the rights to cooperate and public policy toward cooperation for other chapters.

C. BRINGING THE PRODUCTS TOGETHER

1. Moving Products From Farms. (Don Church, Commerce, Margaret Purcell, BAE)

This should be a short article dealing solely with the transportation of products from farms to the first unloading point. It should bring out that nearly all products leave the farms by motortruck and should show what proportion of such products move in farmer-owned vehicles, buyers' vehicles, and for-hire vehicles. Some attention should be given to the kind of equipment used for such transportation and the places to which products move. Attention should be given to the fact that farmer-owned vehicles do not ordinarily travel any great distances through the marketing channel toward the consumer. Discuss the factors that a farmer should take into account in deciding whether he should use his own truck or employ other arrangements for transporting different kinds of products to market. The seasonality of the movement of products from farms should be pointed out, along with the importance of all-weather roads from farms to market. Some discussion of the farm-to-market road program might be appropriate.

2. Assembling for Shipment. (Si Smith and Preston Richards, PMA)

This article should begin by establishing the reasons why farm products must be assembled at an early stage in the marketing system by showing that for most commodities the products of many farms must be brought together at some point easily accessible to the farms to attract buyers and for sorting, grading, packaging, displaying, processing, or selling, as well as for loading into railroad cars, trucks, or boats for movement to distant points. This assembly function is usually performed by private individuals, farmers' cooperative associations, and occasionally by large growers who often handle products of their neighbors along with their own. It should be noted that for some products more operations are performed at the assembly point than for others in order to reduce the costs of handling at further stages in the marketing channel. Some attention should be given to the importance of having the assembly points properly located and not having too many of them. The article should show why this assembling is necessary by showing how costly it would be for an individual farmer in the West to send his products (such as eggs) directly through the marketing channel to a housewife in New York City as against bringing together as near the farm as possible a carload of the product and shipping it to the East. Point out the problems that

small farmers have of disposing some of their products when no organized method of assembling them into large enough lots for profitable marketing has been developed.

The importance of sorting the products at the assembly point should be brought out by showing that this makes it possible to move products of different qualities and characteristics to their best market or use so that the choice product can go into the higher price market and each variety can go to the area preferring that variety, while the product that will not stand a high marketing charge can be disposed of at some nearby point. These sorting and related operations also make it possible to avoid transporting waste products and develop possible uses for them near the source.

The need for proper packaging of products to protect them on their journey through the marketing channel, to get the best size package, to use the least expensive package, and one that can be most economically handled should be pointed out. Packaging here is used in a very broad sense, including livestock and other produce containers used at assembly points. A comprehensive discussion of packaging as such is included in a later article. This article should emphasize that the operations at the assembly point must be properly performed if the subsequent operations in the marketing channel are to be efficiently conducted and the products are to reach the ultimate consumer in satisfactory quality and condition.

3. Forwarding the Products. (Don Leavens, Navy)

This article should deal with the transportation of products from the assembly point near the farm to the terminal markets and should be largely descriptive and informative with respect to what types are best adapted to different circumstances. It should begin by pointing out the distances between assembly points and terminal markets and how they vary. The importance of proper loading in cars and trucks, proper loading equipment, proper bracing, proper precooling, waxing, etc., should be pointed out. The importance of cost, speed, and care required to protect the products in deciding the type of transportation to use should be pointed out. The relative importance of the various methods of transportation should be established, by giving figures on rail and truck movement of different commodities (livestock, fruits and vegetables, grain, cotton, etc.) and for varying distances. In the truck field the relative importance of movement by regulated and unregulated carriers should be established. In this connection, it should be brought out that large amounts of transportation are needed at certain times of the year. Some mention should be made of the fact that certain transportation privileges are used in this movement from farm assembly point to market such as reconsignment and storage in transit. Indicate that transportation regulations and privileges are discussed more fully in two later articles on "Transportation" and "How Much Transportation Regulation."

4. Terminal Markets.

This is a descriptive article showing what facilities, methods, and practices are used in terminal markets and what functions these markets perform. By taking a few commodities as examples it should be established

that a large portion of farm products move from the assembly markets to terminal markets and that these terminal markets receive supplies of all types of products from all over the country and abroad in carlots, trucklots and boatloads. It should be brought out that the terminal market is the greatest concentration of stocks where the greatest variety may be found by buyers, especially those who need large quantities or specific kinds. Show that these markets serve as supply centers for surrounding consuming areas, often for considerable distances. Give some impression of the structure of central and secondary markets and trends. It should be pointed out that in these markets there are many kinds of facilities for storing and handling the products, including some processing facilities. In this connection there should be a brief description of the various types of facilities in such markets. Care should be taken to see that the discussion is not devoted entirely to terminal markets for any particular group of products, but that it be presented in such a way as to be applicable to perishables, grain, cotton, livestock, and other commodities.

Explain how terminal markets are focal points for widespread demand and supply forces. They are to a great degree the price-making markets not only for those products that move through them but also for many other products that are sold on the basis of prices established in them. Some mention should be made of the numerous kinds of institutions or firms that operate in terminal markets, but without detailed description of operators or functions to be dealt with in subsequent articles.

D. DISTRIBUTING THE PRODUCTS

1. Wholesaling. (Ray Hoecker, PMA)

This article should describe the function performed by the wholesaler showing how he brings together supplies from all parts of the country at all seasons and breaks down the large lots in order to supply retailers with the quantity, type, and variety of products they need. The major types of wholesalers should be listed and described and some indication given of the total volume of wholesale business. Reference should also be made to the size range of individual wholesalers and to the number of retailers which the wholesaler usually supplies. Point out that wholesalers likewise supply restaurants, institutions, and small processors (i.e., bakeries) in consuming centers. Bring out the fact that wholesalers are smaller in number but have a larger volume of business than retail stores. There should be some mention of the geographical distribution of wholesale centers and the areas served by them. Some of the functions which the wholesaler performs should be described and reference made to the importance of close working relationships between wholesalers and retailers in order to hold down costs, keep prices in line with supplies, keep supplies flowing regularly, etc. It should be pointed out that there is a tendency for wholesalers of food to be located in a wholesale district particularly when retailers visit their establishments to make their purchases. When products are less perishable and can be sold on grade or description, retailers often do not visit the wholesalers but the wholesalers take orders and deliver. It should be pointed out that there is more specialization in the wholesaling

of agricultural commodities than there is in retailing. Some reference should be made to the trend toward fewer larger firms and toward integration between wholesalers and retailers with some mention of the integration between the wholesalers and the manufacturers, also to other trends in types of wholesalers from the standpoint of services rendered.

2. Retailing.

This article should point out that the retail store is the end of the marketing channel where products are placed before consumers and that it is in this store that the consumer decides whether to take products or leave them and how much to take and expresses her preference for the commodities and package types available. Show that in a typical retail food store the retailer has already brought together foods of all kinds from all parts of the country in various package sizes so that they will be there whenever the consumer wants them.

It should be shown that some retail stores operate on a service basis while others are essentially cash and carry institutions -- some operating as large supermarkets. Bring out the relationship of size and type to location in the community, kinds of buyers' needs met, and consequent patterns of services. Figures should be given on the total number of retail food stores in the Nation and their volume of sales. Mention should be made of retailing of nonfood farm products, especially, clothing and textiles, classifying the main types of outlets and showing how and why they differ from food retailers. The proportion of the stores and sales volume accounted for by large chains, local chains, and independents should be pointed out.

The size of the retail margin should be mentioned and some of the reasons why this margin is high should be enumerated. Reference should be made to the fact that retailing is highly competitive, to the importance of rapid stock turn-over, and to some of the other problems of retailing. The degree of and decline in retail specialization by commodities should be mentioned.

In the preparation of this article care should be exercised to avoid duplicating a later article entitled, "Self-Service and Supermarkets."

3. Restaurants and Institutional Buying. (Marguerite C. Burk, BAE, and Paul Logan, Natl. Restaurant Assn.)

This article should point out that restaurants, hotels, clubs, dining cars and other institutions are accounting for an increasing volume of food sales, with figures given to show the proportion of retail food sales that are made through them. The types of firms and relative importance of each should be described. Indicate the characteristics of these outlets that make their buying and selling different from other channels of distribution for agricultural products with some attention given to the added services performed by such outlets and the costs thereof. Explain the types of specialization involved and that some wholesalers cater to the needs of these outlets by obtaining special grades or types of commodities to meet their needs. The influence which these outlets have on consumer choice for farm products should be pointed out.

4. Consumer Purchasing. (Gertrude Weiss, BHNHE)

This article might begin with a discussion of the importance of consumer demand in marketing. The danger of concentrating on producing more products with the feeling that the consumer can be depended upon to buy them should be explained. It should be shown that producers can be successful only if they have produced what the consumers want. It should then be pointed out that the wants of consumers change. For instance, the per capita consumption of cornmeal and wheat flour has dropped while the consumption of fruits and vegetables has increased.

Describe the marketing of farm products as seen by the consumer, pointing out buying practices and some of the influences that underlie them, and the kinds of assistance in meeting her problems that the homemaker expects from the marketing system. The variety of the types of consumers of farm products should be pointed out, showing that in addition to the housewife there are many industrial consumers of farm products and that the prosperity of the farmer depends to no small degree on satisfying the wants of all these types of consumers. Attention should be given to the shift in demand from one commodity to another in industrial uses. Variations in consumption in periods of prosperity and depression should be pointed out along with the variations in consumption by level of income of the people.

Mention should be made of the proportion of income spent for food and the extent to which the diet of the American people is adequately provided for by our marketing system. Examine the validity of such statements as "the customer is always right" or "the consumer is king." The article might close by pointing out that the whole purpose of agricultural production and marketing is to maximize the standard of living of the American people and that the success of our agricultural production and marketing system can be judged by the extent to which our consumers are well-fed and well-clothed.

5. Selling in Foreign Markets. (Omer W. Herrmann, Agricultural Attache, Paris, France)

This article might begin by pointing out that foreign markets are important for certain types of agricultural products, giving data on major items as grain, cotton, and tobacco, and that the foreign consumer desires these products from this country for the same reasons that our own consumers want them from our producing areas -- because he can get the products he wants from us at a lower cost than he can from other sources. This should be followed by pointing out that the only way that the foreigner can buy these products is by giving us in exchange something he has produced which perhaps he can grow or manufacture better than we can.

With this basis having been laid down for the existence of international trade, the article could then proceed to describing how international transactions are made, how the products are physically handled in foreign trade, how money is used to facilitate such trading, and how the situation is complicated by countries not having the same kind of weights, measures, and money. One way to describe this operation would

be to follow a lot of some commodity through the whole process, as an illustration. At this point it should be pointed out that producers of cotton, tobacco, or grain in these foreign countries will want a tariff against our products to keep them out so that they can get a higher price for theirs, and that the same thing happens in our own country but that for the highest standard of living for people at home and abroad each part of the world should produce those products which it can grow best and exchange its surpluses by means of transactions in the marketing channel.

E. AUXILIARY SERVICES

1. Transportation. (Bill Hudson, PMA)

This article should begin with a paragraph establishing the importance of transportation to commerce generally as well as in the marketing of farm products. The services, including special services, rendered by the various forms of transportation to agricultural marketing should be pointed out. This might be followed by a discussion of the relative importance of rail, truck, and boat transportation in the various steps in marketing, and the trends in this relationship. Some attention should be given to the types of haul in which each type of transportation agency is superior, and the relative importance of transportation of products by private and for-hire carriers. The necessity for rates that are reasonable per se to permit products to reach distant markets, and the way in which the marketing channel is often influenced by the freight rate structure should be brought out. In this article attention should be given to the facilities and quantity and types of equipment needed in transportation. It should also include reference to the need for dependability and speed of service. It should be shown why flexibility in transportation is important and that the seasonal movement of agricultural commodities creates problems for transportation which must be met.

This will be the main article in the Yearbook on the subject of transportation, but it will be supplemented with articles on "Moving Products From Farms" and "Forwarding the Products" which describe the movements from farms to assembly points and from assembly points to terminals, and also by an article on "How Much Transportation Regulation." Here the subject should be treated with broad perspective so the other articles can be related to it. The article might outline the current privileges and regulations with which shippers of agricultural products need to be familiar and summarize the factors that should be taken into account in choosing the transportation services or methods to use.

2. Storage. (V. C. Crow, PMA, and others, PMA)

This article should start with a few illustrations to show that while products are seasonally produced they are consumed the year around. That the only way to have many foods in the winter is to store the products that were produced in the summer or to shift producing areas from North to South. It should be pointed out that this storage results

in a better diet for consumers as well as a better income for the farmers and tenas to prevent a situation of feast or famine. Reference should also be made to year-to-year storage to compensate for annual variation in production. The importance of having proper storage facilities to protect the product and handle it at the lowest possible cost should be pointed out. Protection of commodities in storage should be discussed. Describe the structure of the storage industry with reference to the types and numbers of storage facilities for various kinds of agricultural products; the relative merits of storing at the production point, terminal market, or in transit; and to the fact that some warehouses are privately operated while others operate as public warehouses. Indicate what factors influence the practices employed for different products.

The importance of proper warehouse supervision with dependable warehouse receipts should be pointed out, along with the relation of sound warehousing and the ability to obtain financing on the products. (Avoid duplication with a later article on warehousing regulation.)

3. Processing. (L. B. Mann, FCA, and Allen Paul, The Brookings Institute)

This article should begin by showing that farmers do not process products to the degree that they formerly did and that to a growing degree consumers do not care to process products to the extent that they did in the past. The result has been that special processors have developed at various points in the marketing channel. Some illustrations should be given to show the major types of processing that take place within the marketing channel and some of the minor types of processing services which consumers are demanding. (Grinding wheat and weaving cloth and making it into clothes may be considered major processing functions, while washing spinach and putting it into packages might be considered to be a minor one and baking bread might be some place in between.) This discussion will show that one of the reasons why marketing costs continue to increase is because of the increased processing services demanded of the marketing system -- for example, eviscerated, cut-up poultry; sliced cheese; peeled, canned potatoes. This leads to the question as to where the processing should be done. For instance, should poultry move through the marketing system in live form and be dressed near the point of consumption or should it be processed in the producing area and move through the marketing channel in dressed form? Where should meat packing, milling, freezing, and canning be done? Why is the situation different in the case of baking? The importance of having economical size and location for processing plants should be brought out. It should be shown that much processing can be done more economically with higher quality and more standardized results by these special processors than it could be done by the farmer or the consumer, bringing out the high level of technological development that has been achieved in many processing fields. The potentiality of making further satisfactory use of byproducts of processing plants should be touched upon.

4. Packaging. (L. C. Carey and Gertrude Foelsch, PMA)

This article should deal with packaging both in wholesale and consumer size packages. It should begin by pointing out why most products have to be placed in packages soon after they enter the marketing system in order that they may be moved properly through the system. The need for getting wholesale packages of the right size and shape to handle efficiently should be brought out, along with the need for getting them made out of the least costly materials that will satisfactorily protect the product. Discuss the wide variety of packaging materials used in agricultural marketing and the factors taken into account in their selection.

The importance of having the quantity in the package that will give most economical distribution should be pointed out. Cite packaging difficulties encountered from loss of weight or quality and measures taken to overcome them. Attention should be given to the need for reducing the number of types of packages and avoiding the use of certain kinds of packages. Bring out that wholesale packages may hold either bulk or packaged goods and must suit the needs of handlers and that most products have to be placed in a package to suit the consumer at some time before the consumer acquires them. In the case of canned foods this is done in the processing plant; in the case of prepackaged items it may be done at some point just before the consumer acquires them; while in the case of some commodities, such as service meat and many fruits and vegetables, the product may be packaged after the consumer purchases it.

Show the degree to which repackaging occurs at different points and the great dependence upon specialized packaging functions to obtain efficiency in distribution. Try to indicate total quantities of different kinds of materials used in agricultural marketing and the costs incurred. Also discuss shifts occurring in use of packaging materials and reasons for them including improvements made in added protection of goods, conservation of scarce materials, more attractive or convenient display, mechanization of packaging operations and savings in transportation.

This is the main article in the Yearbook on packaging. It will be supplemented by an article on "Assembling for Shipment" which will treat the packaging aspects of getting products from farms to terminal markets, and by an article on "Packaging for Mass Distribution" which will feature prepackaging developments designed to aid retailing and how packaging improvements have permitted revolutionary changes in distribution.

5. Grading. (Merritt Baker, PMA)

Since producers and consumers, sellers and buyers are a long way apart in the marketing channel, they must often buy and sell without being able to look at the product. While some products are sold on the basis of samples, it is often inconvenient, time-consuming, and costly. Hence, with this trading over distances it became necessary to describe the product; so the seller tries to tell the buyer what quality and

condition of product he has for sale. This is difficult for him to do in language that the buyer can understand. To fill this need, grades have been developed for most farm products with the words used given definite meaning. Thus "choice" meat means the same to both buyer and seller, as does "U. S. No. 1" potato and "middling" cotton.

It should be pointed out that in establishing these grades they should be based on characteristics of the commodity that are important to the people who use it. A grade should not merely be understood by both buyer and seller but products of a given grade should have characteristics which certain types of users desire in order that a buyer may select by grade and products may move from the farm classified by the type of use to which they may be put. It should be shown how this grading not only facilitates marketing but holds down marketing costs and places the products in the right places. After grades have been established, it is important to know that products are inspected and classed objectively and accurately with regard to grade. Federal and State grading services are established so that both buyer and seller may have an impartial agent available to determine the grade. These impartial graders are usually paid from fees collected for the service and certificates are issued which are widely used in the marketing process. Summarize the grades promulgated by the Department of Agriculture, indicate the types of markets they are intended to serve, and show the extent of their use.

6. Communications. (Chester Vasson, OPS)

This article should begin by pointing out the problem of getting agricultural products from specialized producing areas in the quantities and at the time desired to distant consumers scattered all over the Nation, also the problem of having distant markets prepared to receive perishable produce when it is ready for shipment. Thus, the need for having adequate means of communications between the assembly market facilities and the consuming areas can be illustrated. Show how market information travels by telephone, telegraph, radio, mail, and newspaper, and how on the basis of this communication the products start out from the producing areas toward all of these ultimate destinations in substantially the quantities needed at each destination. Then show how on the basis of later information these products are diverted from one destination to another in order to spread the supplies in such a way as to feed the Nation properly. Also point out how prices are agreed upon over these communication systems and how without these means of communication it would be impossible for producers and consumers so far apart to operate. Mention should be made of the fact that communication is used to influence demand.

Toward the end of the article it should be shown that the communication system organizes the supply lines and that the transportation system handles the flow of the supplies. In this article it will also be possible to point out how the cost of marketing could be decreased by having better communication systems and how the costs of marketing can be reduced by the proper performance of the function.

This article should feature the modes of communication and their

use in marketing. A later article on "Market Information" will treat the kinds of statistics, data, and news disseminated especially by public agencies.

F. OWNERSHIP AND ITS TRANSFER

1. Role of Ownership.

This article is intended to introduce the next five articles by featuring what is involved in ownership that leads to the need for the related functions discussed in subsequent articles. It should point out the responsibilities that accompany ownership of a commodity covering such points as (1) risks incurred, that is, in terms of quality deterioration and of price declines; (2) finance, that is, the provision of capital required pointing out that the degree of risk may determine the method of financing; (3) decision making, that is, where and when to buy and for how much, what conversions are to be made of products to different forms, how long to hold the products, what, where, and for how much to sell them. Attention should be called to the fact that in view of these responsibilities, many marketing agencies, such as railroads and warehouses, do not accept the ownership.

Types of ownership of firms might be discussed to indicate how they modify ownership responsibilities. Proprietorships, partnerships, corporations, and cooperatives should be included to indicate how they represent different degrees of control and liability as they pertain to participants. Similarly, the development of types of contracts that involve the transfer of partial or limited attributes of ownership should be brought out (e.g., rental contracts, used by many chain stores; options; exclusive agency agreements; resale price restrictions; rights of creditors).

The advantages of ownership should be presented covering such points as freedom to make decisions, rights to dispose of or consume commodities, opportunities for profit or gain, and incentives to make the best decisions. Similarly, the utility of ownership or possession should be indicated, recognizing that it permits greater specialization in market operations and permits market agencies to provide more services for producers and consumers. These points should lead to the conclusion that there is a definite need for exchange of ownership and it is a market responsibility to facilitate the transfer of ownership among market agents as well as between producers and market agents, and market agents and consumers.

2. Risk Bearing. (H. S. Irwin, PMA)

Outline in further detail the principal types of risks incurred in marketing such as fire, theft, spoilage, diseases, rodent damage, insect infestation, contamination or adulteration and other physical causes of deterioration or loss; and weather fashion or demand changes, gluts or shortages of supplies, business fluctuations and other factors affecting prices and economic losses. This should be followed by an outline of methods by which different kinds of risks are reduced, shifted

to others, pooled or spread among greater numbers. Indicate that there is a tendency to establish marketing margins sufficiently wide to cover all contingencies of risk losses. Consequently, the successful reduction or spreading of risks reduces costs and margins and aids small operators in competition with larger firms. Indicate the safeguards required by regulation to protect owners or other interested parties against inadequate coverage of risk. Illustrations would be the bonding of warehouses and the licensing of dealers.

Point out how modern production and living patterns have placed a greater dependence upon the markets as against producers and consumers for assumption of storage and risk bearing. Also indicate that there is conflict among market agents such as processors, wholesalers, and retailers as to who should provide this service.

3. Financing. (Jesse W. Tapp, Bank of America)

Building upon the need for capital that accompanies ownership established in a preceding article on the "Role of Ownership," this article should indicate the volume of financing necessary, who provides the capital including a discussion of the agencies and institutions established for the purpose, methods of financing in terms of the types of credit available and also the documents, forms, and contracts used, and the costs of credit, pointing out the factors that influence costs such as degree of risk, length of time, and related services involved.

A discussion of the limitations on ownership accompanying the use of credit would be appropriate. This could be followed by a discussion of the influence of bankers and other creditors on market policies and operations.

Special arrangements that have been made to overcome financing difficulties encountered in agricultural marketing might be discussed. This could include consideration of the influence difficulties of agricultural marketing finance have had on the establishment of the Federal Reserve System, the banks for cooperatives and commodity loan programs.

4. Methods of Ownership Transfer. (Bennett White, BAE, and V. Edwards Beach, CEA)

How farmers, market agents, and consumers acquire or relinquish ownership should be dealt with in terms of different methods that can be distinguished. These should include: (1) Private negotiation by individuals indicating its prevalence, pointing out the conditions where it is employed and the time and expense required for individual inspection and bargaining. (2) Auctions and their use. (3) Organized exchanges designed to facilitate rapid exchange indicating where they are located, the types of governing bodies they have, the factors covered in their rules, the services provided to traders, the requirements for membership that permit direct participation, the provisions for costs of operations, and the relative volume of agricultural commodities traded over exchanges. (Recognize that the regulative aspects of organized exchanges is covered in the article "Maintaining Equity in Exchanges."). (4) Other methods

of facilitating exchange such as (a) the use of intermediaries or agents such as brokers and commissionmen in wholesale trading; (b) the selling methods of service wholesalers; (c) retail selling arrangements; and (d) fairs and expositions.

Related topics that might merit discussion include the development and importance of contracts, and the implications of integration as it pertains to the need for exchange of ownership.

5. Futures Trading and Forward Selling. (Harold Rowe, The Brookings Institute)

This article might begin with the story of the development of organized futures trading citing the antecedents that indicated the needs, the changing functions of exchanges dealing in time contracts, the specialized nature of the existing institutions, their location in the central markets, and the wide number and variety of traders that participate in them. Describe how a farmer, processor, or trader might go about using these exchanges to advantage.

Outline other types of forward selling employed in marketing farm and food products, including contracts for processed fruits and vegetables, broiler chicken forward sales, on tree sales of fruit, and fluid milk marketing arrangements.

Indicate the quality, price, and other assurances needed to permit forward sales and the importance of institutional arrangements required to back up these assurances.

Some evaluation of the significance and essentiality of futures trading and forward selling would be appropriate.

6. Pricing. (George L. Mehren and Sidney S. Hoos, University of California)

With each transfer of ownership a price must be agreed upon. Arriving at price is one of the major problems of marketing. Outline the different practices used in pricing at different stages of marketing or under different organizational or institutional arrangements, e.g., direct bargaining, bidding at auctions, offer and acceptance with either buyer or seller taking the lead, price posting as in self-service stores, rule-of-thumb mark-ups, use of market quotations as the basis for off-market sales. Indicate the provisions made to help traders in arriving at prices for their products, including the informational services supplied indicative of current supply and demand conditions, and the arrangements made in markets to expedite or facilitate negotiations, referring back to the discussion in a preceding article on "Methods of Ownership Transfer." Point out the focal role of large central markets where supply and demand forces are most adequately reflected.

Explain that the establishment of prices is also a major function of marketing in the light of the functions attributable to prices as such. Such functions may include (1) to equate supply and demand or to clear the markets; (2) to allocate supplies among claimants; (3) to

compensate producers; (4) to guide production or the use of productive resources; and (5) to aid in value comparisons. Point out that price quotations, price reports, and price forecasts are means used to aid pricing and price functioning.

Explain that differing pricing methods tend to be employed at different stages of marketing and point out the factors that determine the methods that become prevalent under each set of circumstances. This discussion can be built upon the methods of ownership transfer outlined in the preceding article, suggesting that these arrangements are influenced by the persons making the decisions. To illustrate, the effects of institutional controls together with the implementation of the price policies may be cited as having a distinct bearing upon the method of pricing that is followed.

G. TIES BETWEEN MARKETS

1. Market Regulations.

The need for some regulation of markets by public authority to assure fair dealing and orderly trade should be presented showing how such regulations are helpful to farmers, consumers, and members of the trade. Indicate the wide array of applicable regulations. It is suggested that a classification of these regulations be presented which may indicate them by types such as health protection and economic protection, by administering agencies such as local, State, and Federal controls, and by general regulations such as monetary, fiscal, weights and measures as compared with specific regulations such as plant quarantines and milk marketing orders.

Discuss how such regulations come into existence and the means employed for administering them such as licensing, inspecting, labeling, and policing.

For the specific types of regulations, indicate the agencies responsible for administering them and endeavor to present a comprehensive picture of the regulating responsibilities of the Department of Agriculture. Discuss how the administrative policies for the different regulatory acts are established using illustrations of the degree to which administrative discretion may be applied. Recognize that discussion of some of the individual regulations will be included in the articles appearing in the next five sections of the book. So this article should be treated as one of providing the over-all perspective for the subsequent discussions.

Regulations tend to introduce a measure of uniformity in market operations. Exceptions to this may be cited, but trade between market centers would be difficult without them. Show that while some regulations are essential in our kind of marketing system, they can be enacted or administered for the primary benefit of special interests and can be used to retard necessary change in the marketing system.

2. Market Information. (Sterling R. Newell, BAE)

This article may be introduced by indicating why accurate, objective information needs to be available to both buyers and sellers to get effective competition, intelligent decisions, and fair prices. Indicate too that widely disseminated information represents one of the strongest bonds between markets, that is, between parts of a market for the same commodity and between different market centers.

Indicate the different kinds of information required for market operators. Include in this listing historical data for the evaluation and comparison of present with past market situations, recent data for judging prevailing trends, current news on market developments, and forecasts of prospective changes.

List the types of U.S.D.A. services designed to provide the different kinds of information. Include in this listing crop and livestock estimates, market news services, market situation reports, outlook programs, surveys of market acceptance or consumer preference and consumer education programs.

Indicate the methods of gathering, analyzing and disseminating information to fit the needs of different interested groups who may use the information. Also show how farmers, marketing agencies, and consumers use the material that is disseminated. Wind up the article by indicating the contribution that effective market information makes to orderly and efficient marketing of farm products.

3. Trade Associations.

Discuss trade associations by indicating in a general way what they are and what they do, and how they tend to insert a measure of uniformity into the programs and policies of marketing industries. Cite the wide variety of types and functions of trade associations and identify, to the extent possible, the common objectives and activities that characterize most of them. Describe how the associations introduce a coordinating influence on industry policies, programs, and actions. Cite the contributions they have made to improving the marketing of products and services rendered, to bringing about adjustments of industry to current problems, to improving industry public relations, and to fostering or opposing legislation and regulations that pertain to agricultural marketing industries.

Give consideration to the inclusion of a list of the trade associations active in agricultural marketing work. See if such a list can be prepared with propriety. Also consider the possibility of using for illustration a code of ethics that is prepared by a trade association for its membership.

Discuss the advantages that may accrue to an industry that has an effective trade association, for example, in coping with an emergency problem, or in negotiating with a governmental agency with respect to regulations or services that pertain to the industry. Also indicate some of the limitations to trade association activities that must be

borne in mind to avoid conflicts with anti-trust legislation or legislation that prohibits price fixing or restraint of trade through collusion on the part of industry members.

4. Integration of Marketing Firms.

Describe the types of horizontal and vertical integration and indicate what is meant by these terms. Illustrate the types by indicating chain store, processing, and cooperative firms that are integrated to perform agricultural marketing functions. Endeavor to present some measures or evidence of the prevalence of integrated firms in marketing farm and food products.

Cite factors that lead or tend toward integration of marketing firms, including economies of scale, greater control of supplies or of distribution channels, opportunities for Nation-wide advertising, facilitation of monopolistic competition, and advantages of diversification.

Show how integration helps to tie different parts of markets together, and contributes to greater coordination between successive steps in marketing. Indicate how this applies not only within the firms themselves, but also tends to extend, through competition, to the activities of all firms participating in the same markets as the integrated firms.

Analyze the influence that integration has on market structure. Show how it may foster bypassing of central markets, or how it may alter types of competition between firms and between markets.

Discuss the problems of large-scale enterprise in agricultural marketing as a result of integration. Compare the existence of large-scale enterprise in agricultural marketing with that in other industries, and also make comparisons between commodity and functional areas within agricultural marketing. Discuss some of the factors that may effectively limit the degree of integration that may be profitably achieved among agricultural marketing firms.

5. Inter and Intra Market Relationships. (Larl Fox, BAE)

References that are frequently made to a marketing system imply relationships between the parts. Discuss the fundamental bases for the assumption of such relationships, indicating such points as transfer of supplies and demand between markets or parts of markets, and the interdependence of stages of marketing to supply the ultimate demands for agricultural products. Discuss also the theoretical bases for geographical division of supply or distribution areas between markets. This might include the use of charts or diagrams to indicate how, on the basis of transportation costs, the supply or distribution areas might be divided between market centers.

Examine the proposition that the relationships between markets should be reflected in price relationships between the same products in different parts of a market or between competing products in the same markets.

The methods through which markets are bound together into a cohesive system should be indicated by summing up the influence of integrated firms, trade associations, informational programs and market regulations discussed in the preceding articles and by adding such points as the following:

(1) In addition to regulations, agricultural markets also have related services such as grading programs that employ uniform standards and are common among the markets.

(2) In addition to U.S.D.A. and State informational services, there is a continuous system of inter- and intra-market communication carried on directly between traders for the exchange of knowledge regarding supplies, prices, and movements of commodities. The trade press also aids in broadcasting views, opinions, and analyses as well as factual material among markets.

(3) Transportation arrangements permit interchange of supplies freely when price differences become sufficiently wide to make inter-market shipments profitable.

In transit and diversion privileges of railroads and the flexibility of truck movements contribute greatly to these opportunities.

(4) The practice of orienting prices or price quotations about common reference points such as central markets or futures markets facilitates comparisons and strengthens the relationships.

H. MARKETING INCURS CONTROVERSY

1. Fast Dealing by Traders. (C. J. Carey, California Department of Agriculture)

A story-telling article giving a few interesting historical examples of fast dealing -- like the trade in wooden nutmegs by colonial Connecticut Yankees -- and coming on down to the present time to show that this is by no means a lost art in agricultural marketing. Indicate some of the attempts to curb sharp practices but without going into details, where this would duplicate later articles on grade labeling, and the regulation of commodity exchanges, stockyards, markets for perishables, etc.

This is an introductory, interest-catching piece. The importance of reliability of traders in developing a sound, durable, specialized marketing system can be pointed out. Marketing always involves men dealing with men and consequently a temptation to take advantage of gullibility.

It will undoubtedly be easy for an author with trade experience to offer more interesting stories than there will be room to publish. Examples might cite such practices as facing packages, doctoring samples, manipulating scales, adulterating products, illegitimate sales by commissionmen, passing bad checks, and other methods of stealing products.

2. Early Forms of Monopoly Advantage.

An historical article on the various forms that monopoly has taken with particular reference to the marketing of agricultural commodities and the products derived from them -- going back to the early problems like forestalling, engrossing, and giving trading firms exclusive rights to deal in specified areas. Describe the fights that arose around the various monopolistic practices and the development of laws and regulations to control them. Avoid, however, detailed discussion that will duplicate material to be presented in other articles on specific laws such as the Sherman Act, the Packers and Stockyards Act, the Commodity Exchange Act, the Interstate Commerce Act, etc.

It may appropriately be brought out that monopoly is not exclusively a matter of bigness since even small operators -- like the old-fashioned general store, the company store or commissary, and the itinerant peddler -- may enjoy monopolistic position within the locality in which they are the only available market outlets or source of supply. Also that the curbing of monopolies' power has been sought not only through restrictive legislation against the monopolists but also through united action to organize countervailing power, for example, through some cooperatives or certain types of marketing agreements. And that monopolies have been overcome by new competitive developments, like the mail-order stores that offer rural communities an alternative source of supply to local merchants.

This is an introductory, interest-catching article.

3. Controversial Role of Marketing. (Tom K. Cowden, Michigan State College)

An introductory article giving the historic background of controversy regarding the role of marketing enterprises -- whether they are pure exploiters who buy for less and sell for more, or whether they perform a real social and economic function. Bring the issue down to the present to show that there are still different opinions and varied schools of thought regarding it. Present the types of conflicts that have arisen out of this controversy but painting with a broader brush than in the two preceding articles, "Fast Dealing by Traders" and "Early Forms of Monopoly Advantage." Bring out particularly the role that this issue has played in connection with major agrarian movements in the United States, with the movement westward and the growth of specialized agriculture increasingly dependent upon an organized marketing system. Refer to current issues such as questions regarding why the efficiency of marketing cannot be measured by the number of middlemen operating between the farmer and the consumer, why marketing is still regarded in some quarters as a mysterious part of our economy and why there is objection to public agencies engaging in marketing research. Point out that marketing involves men dealing and competing with men and consequently always involves potential controversy between the dealers or competitors.

I. MEASURES TO REDUCE ARGUMENT

1. Systems of Measurement.

This article should begin by pointing out that in the conduct of various marketing operations it is possible to use any one of several systems of measurement for measuring the same operation. Present, by table or otherwise, the different systems adopted in foreign countries and encountered in international trade. Even at home, for instance, products may be sold by count or by weight; by volume or weight, or by avoirdupois or metric. Price, likewise, could be stated in dollars, pounds, or some other currency. It should be pointed out that different systems have been employed at different times and are employed in different places. The advantages and disadvantages of several selected examples might be compared. The advantages of different measuring systems that we have might be explained, but the costs of conversion from an established system to another should be outlined. In connection with this indicate some of the problems still existing in different sections of the country such as jugs of milk in New England and barrels of rice or grain in Maryland. A number of past issues involving which system of measurement to use that have been settled could be described to show how the change was made or the conclusion reached. Emphasize that lack of uniformity of systems hampers trade.

From this discussion of past issues that have been settled, the article should move on to discussing current issues on the method of measurement such as should ice cream be sold by weight or by the quart? Should eggs or citrus be sold by count or by weight?

Some attention might be given to the arguments for and against calendar reform in which the marketing disruptions and costs incurred with the present calendar could be pointed out along with the arguments for retaining the present calendar. The advantages to marketing of the Cotsworth Calendar and other calendar revision schemes might be discussed with some treatment of the difficulty of making any change in the calendar -- perhaps illustrated by the controversy over a simple change like that of changing Thanksgiving Day. Describe how some business firms alter their accounting periods to alleviate some of the difficulties incurred with the present calendar.

The similar status of the duo-decimal system -- i.e., counting by 12's instead of 10's -- might also be mentioned.

The article might also bring out the influence that particular measuring developments have had on marketing -- e.g., the Babcock test which facilitated dairy marketing developments over many years, but may have delayed recognition of the importance of non-fat-solids in milk.

2. Standardized Weights and Measures. (E. E. Gallahue, FMA)

This article should begin by pointing out the absolute necessity for standardized weights and measures in the complex marketing system of the kind that we have and enumerating some of the types of weights

and measures that are so commonly used that they are now taken for granted. The article might then refer back to the long controversies which led to the establishment of the standards that are now taken for granted and explain how we happen to have the standards now used in this country. Point out the extreme difficulty of overcoming habit and custom in getting standards either fixed or altered. Some attention should be given to the problems of standardizing containers and the advantages that would result from further standardization not only of containers used in wholesale transactions but also of those of consumer sizes. The article might then discuss those areas where issues have been fairly well settled and those which still pose controversial problems. It might conclude by pointing out how marketing is facilitated and arguments reduced by using commonly accepted standards of measurement and reference might be made to the fact that marketing costs might be reduced by a greater use of standard measures of quantity and quality, including perhaps some reference to the benefits which would accrue if we had a standard dollar, the value of which remained constant. Indicate the responsibilities of governments in prescribing legal standards.

3. Protecting Shippers. (Ted C. Curry and M. J. Cook, PIA)

This article should begin by pointing out that when farmers began to send their products to agents to sell for them there arose a demand to protect these shippers against dishonest practices. The demand for legislation to prevent dishonest trading and protect shippers came not only from the shippers but also from honest traders who found it difficult to compete with those who engaged in questionable practices. The article might then mention all legislative acts that exist for this purpose and discuss in some detail two illustrations of such -- the Perishable Agricultural Commodities Act and the Packers and Stockyards Act. In discussing each act, the situation which led to its enactment, what groups supported it, and what provisions are in it should be pointed out. The provisions of the acts and the matters which they are intended to solve, correct, or deal with should be pointed out. Some attention should be given to the areas that are excluded from the acts. Then the discussion in each case might proceed to pointing out the experience or results of the act, the responsibilities added after the first enactment, and proposals for further additions to the act. The article should close by pointing out how acts of this kind help to reduce arguments about marketing operations, reduce risks and marketing costs.

4. Safe Storage of Commodities. (H. S. Yohe, PIA)

This article should point out the importance of safe storage in the distribution of agricultural products and the steps that have been taken to provide such storage. By safe storage is meant the need to have storage facilities where farm and food products may be placed with the assurance that the depositor can upon demand obtain from the storage warehouse the identical quantity and quality of product which he left there. In other words, the warehouse should not only protect the product from physical deterioration but should prevent substitution and theft. In order to facilitate the storing of commodities from one season to the next, it should be pointed out that the depositor or owner of the

commodity placed in storage may need to borrow money on the warehouse receipt, hence warehousing laws are necessary to preserve the integrity of the warehouse receipt so that bankers in any part of the country will be willing to make loans on these receipts amounting to a high percentage of the value of the product at a reasonable interest rate.

After laying the foundation for the need for safe storage the article should discuss the legislation that has been enacted in an effort to provide such storage, starting first with some of the State laws, then dealing with the Uniform Warehouse Receipts Act, and concluding with a discussion of the United States Warehouse Act which affords the most complete protection of any legislation in the field. In discussing the Warehouse Act, brief mention should be made of the circumstances which brought about its enactment. This should be followed with a discussion of its objectives, its accomplishments, the amount of warehousing facilities operating under it, and the volume of commodities handled through them. Any shortcomings of the Act should be brought out and the improvements in warehousing practices that have resulted from operating under the Act should be mentioned. The article should close by pointing out how measures of this kind facilitate marketing, reduce the opportunities for argument and improper dealings, and tend to reduce the costs of distribution.

J. HEALTH AND WELFARE ISSUES

1. The Fight for Pure Foods. (C. W. Crawford, Food and Drug Admin.)

This article might briefly review the growth of public interest in the problem of assuring the preparation of clean, wholesome products by food processors. This may be done by referring to Sinclair Lewis' book, "The Jungle," as well as other incidents that aroused public indignation that led to the enactment of legislation. The review might include citation to recent developments such as the Red Book articles of 1952, and it should trace the successive steps in the relevant legislation.

The main body of the article should present currently applicable food and drug laws, indicating the administrative responsibilities and policies of the Food and Drug Administration, with emphasis on food rather than drugs. It should also present the more important problems and limitations encountered in making the laws effective. For example, the interstate commerce requirements might be cited.

Some discussion of responsibilities of other agencies for related work should be included. For example, the responsibilities of the Bureau of Animal Industry for meat and meat product inspection, and of State and local or municipal agencies for intrastate regulation to supplement Food and Drug Administration should be explained. Indicate how much of our food supply is adequately protected.

This article should omit discussion of milk regulations, which will be treated in the next article, and it should omit detailed discussion of those parts of the Food, Drug and Cosmetic Act which deal with the

accuracy of information, which likewise will be treated in another article. The minimum legal requirements now enforced for the protection of health should be emphasized here.

2. Safeguarding Milk. (John D. Faulkner, Public Health Service)

This article is intended to present the case of a food product where the public interest has been especially great, and the remedial actions especially numerous and complex. Show why it is particularly important to safeguard milk and what are the main things to be safeguarded against. Mention briefly some historical cases that illustrate the consequences of inadequate protection. Discuss the types of action taken to assure adequate protection. Present the responsibilities and action of the Public Health Service and the relationship between Federal, State, and local health authorities and agencies. To the extent possible, classify their respective responsibilities, policies, and procedures.

Cite issues that have arisen regarding the employment of relevant controls to achieve economic as well as sanitation objectives. Indicate their effects on milk distribution areas, methods, and costs. Also refer to the conflicts between regulations and the resulting inflexibility that hampers the introduction of improved technological methods and products.

Indicate current progress that is being made toward resolving some of these issues and point out issues that remain to be resolved.

3. Synthetics, Additives, and Pesticides. (E. L. LeClercg, ARA)

Explain what these terms mean and show their importance in our modern economy, indicating why they are needed and how they can be misused. Discuss issues reviewed by the Delaney Committee of the House of Representatives. Point out the variety of problems raised by new technological developments that can be applied to increase our food supplies. Indicate the gravity of the question of how to adequately protect consumers without unduly obstructing progress in food production and processing.

Review the contentions of special interest groups, such as those advocating organic agriculture and those endeavoring to protect established industries that would be adversely affected by the introduction of new methods. Endeavor to appraise the scientific basis for such contentions and cite statements of the National Research Council and other objective groups relevant to these issues.

This article might discuss the responsibilities of scientists, research agencies, and business firms as they pertain to the development and introduction of new cultural or processing methods or new products intended for consumption or use by the lay public. This might include reference to the relative responsibilities of processors, wholesalers, retailers, or other groups participating in the distribution of these products. Who, for example, should bear the costs of assuring safety of use and who should be liable in the event of damage from improper use. Perhaps bring out implications favoring large business firms with

highly equipped research facilities that enable them to present their cases effectively.

Outline the activities of the Department of Agriculture in carrying out relevant legislative acts such as the work of the Bureau of Entomology and Plant Quarantine, and of the Insecticide Division of PMA. Also indicate the relationship of this to responsibilities of the Food and Drug Administration and other agencies, Federal and State.

K. BIG AND LITTLE BUSINESS

1. Economy of Scale and Competition. (Ray G. Bressler, University of California)

A presentation of the rise of large-scale industry in the marketing of farm and food products and of the policy issues this has created and how they have been handled.

Under the rise of large-scale industry, point out the commodity and functional areas where it has advanced most and where it has been limited, with reasons therefor. Indicate the technological bases for economies of scale and discuss the factors that have on the one hand held back realization of these economies or on the other hand entrenched them so that their advantage was over-accentuated. Make it clear that having large-scale industry does not necessarily lessen competition, but the nature of competition and degree of efficiency attained may be influenced by the existence of large-scale business.

Bring out the conflict of public interest in the desire for the benefits of technological efficiencies versus the desire to maintain competition as a regulating force in the economy. Indicate the alternatives open to public policy -- trust busting, public utility regulation, public ownership, and the strengthening of the hand of opposing interest groups through encouraging their effective organization or through public intervention in marketing in their behalf (marketing orders, price supports, etc.). Bring in the associated problem of loss in flexibility and in opportunity for innovation and initiative where technological efficiency implies large capital investment.

Trace the development of public policy as reflected in the anti-trust laws and other legislation, particularly with reference to agricultural marketing, but avoid detailed discussion of individual issues to which separate articles will be devoted -- chains versus independents, regulation of transportation, and the several specific regulatory acts administered by the Department. This article should provide background and perspective for those that follow.

2. Chains vs. Independents.

History of the rise of chain stores, especially in the grocery field, and of the resulting battle between the chains and the independents.

Outline the distinctive features by which chains got their original start -- differences in the services they offered, economies of scale and management -- and their later adoption of vertical integration. (Avoid, however, detailed discussion that would duplicate that in the later article, "Chain Stores Introduce a Trend.") Bring the story down to the present time, describing recent trends in the characteristics of chains and their relative importance. Show percentage of business done by independents and chains of various sizes.

Describe the rise of opposition to them and the various forms that it took, in local communities where they were discriminated against as outsiders, the imposition of special taxes and other legal hindrances, investigations, and attempts to invoke anti-trust law action; the efforts to meet chain competition by adoption of comparably efficient methods of store management and by the organization of voluntary groups for joint action.

Present the peculiar twist that has been given to this struggle by the more recent rise of supermarkets.

Throughout, bring out the interest that farmers have expressed in this controversy and the attempts of both sides to gain the farmers' support.

Point out that chain-type ownership and management can be found elsewhere in agricultural marketing, such as elevators, cold-storage warehouses, cheese factories, and canneries. Deal primarily with this as a type of horizontal rather than vertical integration.

3. How Much Transportation Regulation. (Ralph Dewey, Ohio State Univ.)

The story of the creation of the Interstate Commerce Commission, with emphasis on the role of farm groups, and its history down to the present time. Bring out the changing problems presented, e.g., by the rise of motor truck competition; the legal developments and modifications of policy that have occurred; and the issues that confront us today regarding regulation in the whole field of transportation. In a not-too-technical discussion reference might be made to the significance of the ICC Act of 1906, the Panama Canal Act establishing the relationship between rail and barge rates, Transportation Act of 1920, Emergency Transportation Act of 1933, Motor Carrier Act of 1935, Civil Aeronautics Act, Transportation Act of 1940, and the Schenley and Lenoir Chair Company cases. Recent legislative proposals might also be reviewed.

Outline the basic principles of transport regulations including the monopoly concept and for what methods of transport it should apply; State vs. interstate regulation of rates, services, operating rights; the public interest or industry objectives of regulation; and the uniformity or flexibility of regulations adapted to different forms of transportation.

The article should emphasize throughout the interest of farmers in these issues. Bring in the reflection of this interest in the responsibilities assigned to the Department of Agriculture for representing

agricultural shippers' interests before the Interstate Commerce Commission and other regulatory bodies.

Discuss the current aspects of the problem that are causing interested groups, including farm organizations, to ask whether there is too much regulation to be consistent with effective competition in transportation. Indicate the kind of transportation system agriculture needs and the kind of information required to provide an intelligent basis for farmers' efforts to obtain the best system.

4. Farmers' Rights in Operating Cooperatives. (L. S. Hulbert, Attorney at Law, Washington, DC.)

The story of the rise of farmers' marketing cooperatives. Describe the early history of cooperative organization, the Capper-Volstead Act and its significance; the various phases in cooperative development such as the Aaron Shapiro period; the movement toward vertical integration; the growth in size and power of the cooperatives; recent issues and legislative controversies, Federal and State.

Indicate public attitudes toward farmer cooperatives, including official Congressional and Department policies. Describe the present role of cooperatives in agricultural marketing, bringing out that there is room for both cooperative and other types of private enterprise in this area, but avoid detailed functional and operational description that would duplicate contents of the earlier article "Marketing Cooperatively," in the section on "How Farm Products Enter the Marketing System."

Outline the legal bases on which the farmers' rights to cooperate are founded. Show how these together with public aids provided for farmers' cooperatives give a clear indication of public policy with respect to them and the evident acceptance of the idea that through cooperation farmers attain a more equitable bargaining position in marketing.

L. KIND AND DEGREE OF COMPETITION

1. Maintaining Equity in Exchanges. (J. M. Mchl, CEA)

The story of the Commodity Exchange Act, the controversies that gave rise to it, and the present status of these controversies.

Outline the early history of the development of commodity exchanges dealing in agricultural commodities, the alternative forms that they have taken, and their significance. (Technical description of exchanges and how they operate and especially futures trading will be contained in an earlier article.) Describe the forces and the incidents that brought about enactment of the Commodity Exchange Act. Outline the problems it has treated, the contributions it has made, controversies over and adjustments that have been made in the legislation or its administration. Indicate the main provisions of the Act and the progress made toward solving the problems that led to its enactment. Summarize,

perhaps in tabular form, the activities under the Act, showing trends. Present any current issues regarding adequacy of the scope of this legislation for achieving its purposes.

2. Fair Trade or Price Fixing.

The story of the rise of "fair trade" legislation, including both State laws and the Miller-Tydings Act, bringing out relationships to earlier laws such as the Clayton Act and the Robinson-Patman Act. Indicate the relative importance of trade under such legislation in the case of commodities of agricultural origin. Bring out the interests of the different groups that have favored such legislation and the problems it was designed to solve, with reference to the economic climate out of which the idea developed. Bring out, likewise, the interests of groups that have opposed the legislation with particular emphasis upon the interest of farmers with their need for protection of competition in marketing channels and for price flexibility to move crop surpluses. Observations might be in order regarding the degree of consistency or inconsistency between the objectives of this type of legislation and legislation providing for agricultural marketing research and service.

3. Interstate Trade Barriers. (D. Barton DeLoach, BAE)

Describe the various types of barriers that have been developed to trade between the States, their justifications, and the arguments against them. Give historical perspective on the rise of the different kinds of barriers, the economic climates out of which they develop, and their present importance, with respect to trade in agricultural commodities. Bring in legal aspects, including the division of power between the Federal Government and the States.

Set forth as clearly as possible how barriers to trade among the States may have objectives to aid as well as hamper trade and how they may be used to the detriment of farmers, consumers, and public welfare. Indicate how such barriers tend to be inconsistent with efforts to increase efficiency associated with specialized producing areas, large-scale enterprise, and free movement of goods in marketing.

Describe the efforts that have been made to modify or eliminate objectionable barriers, the successes and failures of such efforts, and the present status of the controversy. Emphasize throughout the particular interest of farmers.

4. New Product Discrimination. (Shelby Robert, BAE)

A discussion, with examples, of the problems confronting innovation and new product development in the present marketing system for farm and food products.

Bring out the variety of difficulties: Financial, in expense of technological development, of establishing an enterprise of economic scale, of successful promotion to capture a volume market for the output of such a plant; legal, in satisfying the numerous health, trade, and other regulations that, however worthy their objectives, have the effect

of thwarting innovation and initiative, and the natural resistance to change of the public and handlers.

Bring out the importance to farmers of facilitating product developments that offer new outlets for their products and indicate the role of both technological and marketing research under public auspices in this connection. Indicate, too, the benefits to consumers from developing new products or market innovations contributing to greater efficiency.

5. Unfair Levies Against Marketing. (George A. Dice, PMA)

The story of racketeering and extortion in agricultural marketing. Describe the kinds and extent of various forms of racketeering, including featherbedding, bribery and extortion by functionaries, and outright racketeering supported by violence. Include examples, such as in the New York live poultry and produce markets, the Dock Street, Philadelphia, practices revealed by Congressional hearings, operation of railroad trains, employment in milk distribution, payments for protection, and activities to prevent change to new methods or equipment. Discuss the conditions that provide opportunities for such practices, and the consequences of it both in direct additions to marketing costs and in indirect costs through the avoidance of what might otherwise be efficient methods and channels of marketing. A review of the records that led to the enactment of the Hobbs Anti-racketeering Act may reveal useful material. Discuss problems of correction, efforts that have been made and their degree of success. Bring out that the ultimate cost is borne by producers and consumers who may not be directly aware of racketeering activities.

6. Pricing by Formula. (Don S. Anderson and Louis Herrman, PMA)

A discussion of the growing practice of resort to automatic means of price determination as an alternative to competitive bidding and the implications of this in the marketing of agricultural commodities. Outline some of the principal types of schemes used, such as fixed percentage or dollar mark-ups, basing-point systems, premiums and discounts from a market quotation, formulas such as are used under Federal fluid milk orders. Give examples in agricultural marketing -- sugar basing-points, canners' contracts with growers, assemblers' purchase of butter and cheese, class-price formulas for milk in Boston and elsewhere. Cover use both in buying raw farm products and in pricing between stages within the marketing system. Discuss the advantages of such schemes -- for example, in avoiding time and expense in negotiating prices or moving products through auctions or central markets, permitting direct shipment, facilitating forward sales, and shifting the basis of competition away from price competition. Outline the legislative status, including both laws restricting and laws permitting use of such methods. Bring out the problems that extension of such practices creates through eliminating or undermining the traditional basis of open market competition for price-making, the opportunities it creates for monopolistic control and manipulation, etc. Outline alternative approaches for dealing with these problems -- e.g., through improving the formulas to include the factors that impinge upon prices competitively, or through

seeking alternative ways of dealing with the problems that formula-pricing is used to solve.

7. Marketing Agreements and Orderly Marketing. (Don M. Rubel and Budd A. Holt, PMA)

A presentation of the Marketing Agreement and Order Program as one approach to the problem of instability in agricultural marketing. Present, with examples, the problem of orderly marketing. Describe what marketing agreements and orders are, outlining the history and development of this idea, including its legislative developments, bringing out the contribution that this type of program is intended to make towards solution of the problem. Indicate the commodities and marketing situations in which the marketing approach has proved successful and some where it has not, the kinds of programs now operated, the relative importance of agreements in farm marketing today and the trends in their application. Bring out the interests of the various groups concerned -- trade and consumers along with producers -- and how and to what extent these are recognized in the legislation and in program operation.

8. Competition Under Price Supports. (Murray Thompson, PMA)

A presentation of the price support program as one of the approaches to the problem of instability in farm prices. Present, with examples, the problems which led to Government's undertaking to support prices of farm products. Describe the legislative development, including alternative proposals such as the McNary-Haugen plan. Indicate the various types of price support and the commodities and marketing situations to which they have been applied. Bring out the relative importance of price supports in present-day marketing and the trend of importance. Some reference to experience in other countries might be appropriate. Discuss the impact of price supports upon competition and upon marketing and utilization in general, indicating subsidiary problems such as controlling supplies or disposing of surpluses, and the shifting of storage and financing responsibility to Government.

II. MARKET RESPONSIBILITIES

1. Payment for Quality. (Donald E. Hirsch and J. K. Samuels, FCA)

This article should not be a discussion of grading and inspection which have already been covered in an earlier article on "Grading," but should emphasize why it is important that payment be based on quality. Show that only by payment for quality is it possible to get the production of high quality products. Show that payment for quality is also necessary to get proper distribution of the various qualities, and why consumers gain by being able to pay prices based on quality (high price for fancy products, but low-income people can buy lower quality at lower prices). Attention might then be turned to a discussion of what quality is, following which it should be shown that consumers have a difficult job recognizing quality, and some of the things that are and can be done to help them. This of course opens up the question of how

to measure quality and of labeling. The discussion and examples should not be limited to farm products in their natural form but should also include manufactured products such as clothing, canned goods, and other commodities made primarily from products of the farm. From the farmer's point of view the article deals with rewarding him for quality production. From the consumer's point of view it deals with how she can get her money's worth.

2. Let the Buyer Beware! (Honest information)

A discussion of the changing philosophy regarding protection of buyers in the market, the reasons for change, and the present status of buyer protection. Bring out the reasons why buyers at various stages in marketing cannot be expected to judge products wholly by inspection or why it would be uneconomical for them to need to do so, and why consumers in particular cannot be informed buyers on the myriad of products that they purchase. Describe the historic development of the ideas of the right of buyers to certain minimum information and to be able to depend upon the accuracy of all information furnished them. Outline the course of legislation on the subject, including the identification and misbranding portions of the Food, Drug and Cosmetic and the Meat Inspection Acts (the minimum standards portions of these acts are dealt with in a separate article on health and welfare issues), the Federal Seed Act, the Insecticide Act, the Federal Trade Commission, etc. (Compulsory grade labeling should be referred to as the subject of the succeeding article). Bring out the problem presented by advertising as distinct from actual labels, and the present status of consumer protection in this field so far as agricultural problems are concerned.

3. Compulsory Grade Labeling - Arguments For and Against. (Jesse Coles, University of California)

A short, interesting, and objective presentation of the controversy regarding compulsory grade labeling, its historical development, the groups most actively interested, and the arguments used on either side, including the dispute regarding grade labeling versus descriptive labeling. Indicate how this problem has tied in with others such as price control during the war, and summarize the present status of the controversy. Discuss the implications that this idea might have for agricultural marketing, particularly from the farmer's standpoint. Some reference to foreign experience might be appropriate. This is a highly specific article in that the broad subject of consumer protection will have been presented in previous articles.

4. Who Advertises and Why? (K. B. Gardner, FCA, and Neil Borden, Harvard School of Business Administration)

A discussion of the role of advertising in marketing farm and food products. Point to the increasingly important role of advertising in modern marketing generally and its comparative status in marketing agricultural commodities, with data on comparative expenditures over time and for different commodities. Describe the scope and variety of advertising of agricultural commodities, indicating types of sponsors (retailers, processors, etc.), types of media (newspapers, magazines,

radio, etc.) and types of appeals (specific retail store offerings, commodity versus brand advertising, product versus institutional advertising). Bring out the main arguments pro and con -- advertising as a method of introducing new products, as a labor-saving device in selling, realization of economies of scale through building sales volume, promotion of competition in a national market, creation of monopolistic advantage, substitution of subtle psychological influence for rational choice in buying, etc. -- bringing out insofar as possible the particular relevance of the arguments in agricultural marketing. Call attention to collectively sponsored advertising of farm products through producer associations and by public or quasi-public bodies, including taxation of farmers to support advertising programs. Try to show the extent of such programs, the types of commodities covered, and the areas involved. Present the issues that this raises -- is it really the farmer's function to advertise or that of marketing agents? what are the consequences of competitive advertising between farm products? on total consumption of food products?

5. In Depression and Prosperity.

A background article which should interest a great many readers, on the effects of general economic fluctuations on the marketing of farm products. Indicate the relative changes in marketing margins compared with prices received by farmers with fluctuations in the general price level, and indicate relative changes in the volume of agricultural trade compared with other trade with general business fluctuations. Refer to pre-World War I experiences and describe the successive impacts of World War I, the crash of 1920-21, the Great Depression of the 1930's, World War II. Bring out the reasons why agricultural markets (like those of extractive industries generally) are peculiarly sensitive to boom and depression. Set forth the problem this presents of social responsibility for blunting the impact of such fluctuations. Outline the development of the "parity" concept, and, in general, of the philosophy of Government's role in this area, including the recently emergent idea of the potential contribution of agricultural marketing programs to general economic stabilization. Reference to specific legislative developments should bear in mind that other articles will have discussed specific programs like marketing agreements and price supports.

6. Role of Government in Marketing. (Roy W. Lonnartson, PMA)

Background philosophical article bringing into perspective preceding articles on specific Government programs in terms of broad classes of Government functions -- e.g., facilitating commerce through standard weights, measures and money; promoting competition through informational and other services; refereeing the game through enforcement of contract and the curbing of monopolistic practices; supporting research; fostering efforts of under-dog groups (e.g., through co-ops, labor unions, and provision of credit aid); protecting or subsidizing particular industries; actual intervention to stabilize markets; special activities to meet war or other emergency conditions. Illustrate by reference to activities described in previous articles, and bring out the relative emphasis on different roles of Government under changing

conditions and the comparative roles of Federal, State, and local Governments.

Show that a century ago the Federal Government did practically nothing in the marketing field, and show what State and local Governments did then. Follow by showing that about 35 years ago the Federal Government began to be concerned with marketing as marketing became more complex. First, services -- market news, grades and standards. Then, regulatory acts as needed. Then in 1946, Agricultural Marketing Act. After discussion of these activities show how Government has many more activities in the marketing field during national emergencies. Touch on the demand to have the Government actually distribute products and place floors and ceilings on prices. The article should point out those fields in which it is generally admitted that Government assistance in marketing is needed and specifically how these activities help the private marketing system to operate more efficiently.

Conclude by setting forth the present philosophy of Government as a partner with producers and marketing agencies in promoting general prosperity -- bolstering the efforts of private industry and guiding them into socially constructive channels while leaving maximum freedom for personal initiative and competitive effort.

N. MARKETING CHANGES: CAUSE AND EFFECT

1. Marketing Problems of Modern Commercial Agriculture. (J. C. Crow, PMA)

New farm production techniques give rise to the need for marketing changes. For example, farm mechanization places greater dependence upon marketing agencies for service, such as for the additional drying and conditioning of mechanically harvested rice. Similarly, new and improved varieties of perishable products need greater protection in the markets, and larger scale or greater specialization in farm production or development of new production areas must be accompanied by similar developments in marketing. A discussion of these points should indicate also how marketing developments may conversely call for production changes. For example, mass processing and distribution designed to achieve the advantages of economies of scale require greater uniformity or standardization of products delivered to markets. They may also offer opportunity for new production areas.

Indicate how these developments led to a need for more objective and useful grade standards and also for simpler inspection or testing devices to facilitate trade. Point out, too, how new varieties of farm products such as hybrid corn need to be analyzed to ascertain changes in their market values compared to the older varieties that have been prevalent. These analyses must be performed in sufficient number and places to provide representative averages to guide buyers in judging their values for such things as feeding animals or families or supplying industrial concerns.

Show how the changes in both production and distribution patterns have been of such magnitude that traditionally important city wholesale

produce markets are proving to be obsolete and inadequate. Indicate the extreme difficulty of obtaining changes and adjustments in these long-established institutions because of influence of habits, customs, and vested interests. Outline the requirements of a modern wholesale market and indicate why they are needed.

Enumerate and explain a selected list of current problems that are rising as a result of technological developments. This list might include such items as:

(1) New products such as frozen foods require new and different assembly facilities and distribution guides extending throughout the marketing system.

(2) The rapid shift from rail to truck movements of agricultural produce has increased the problem of assembling reliable market news covering estimates of market supplies, receipts, and movements.

(3) The phenomenal growth in production and consumption of broiler chickens and turkeys calls for substantial changes in assembling and disseminating supply statistics and reports.

2. Supplying a Growing Industrial Population. (F. F. Elliott, BAE)

Greater industrialization and urbanization call for more marketing services because (1) there are fewer agricultural producers and more consumers so farmers must specialize more in their productive operations; (2) consumers become farther removed from the farms so that farmers must rely more on market agents to reach them; (3) apartment house living calls for smaller and more frequent deliveries of food so consumers likewise depend more on market services; (4) gainful employment of women calls for more market preparation of food and clothing; (5) industrial feeding calls for more commercial preparation of meals.

Point out how advances in agricultural production and marketing have enabled industrial progress and expansion by successfully satisfying some of the new product and service demands entailed by it.

The preceding discussion might be regarded as a prologue to a discussion of the future implications of a continuously growing population and continuing shift toward greater industrialization. Among the items that might be mentioned are (1) these developments call for more food and fiber; (2) the increased requirements may be met in part by reducing the waste and spoilage incurred in marketing and also by achieving more exhaustive use of farm-produced raw materials; (3) urban dwelling areas are expanding and encroaching on productive land, but more important, this development requires adjustments in distribution systems to reach the now expanded and spread-out residential areas. The adjustments are most obvious in the retail shopping centers that are appearing throughout most of the country, but they affect wholesale distribution methods and practices in ways that are less evident to the public; (4) the growth of arterial highways and improved roads primarily for the benefit of urban and industrial developments alter the most desirable locations for agricultural market facilities; (5) these

adjustments offer opportunities for introducing more simplified, efficient facilities and methods. Advantage needs to be taken of these opportunities before investments in new buildings and equipment are made and the patterns become crystallized for a long time to come. It is necessary to foresee how far the existing trends will be projected to avoid ill-advised investments.

3. Contributing to Higher Living Standards. (Hazel K. Stiebeling and Faith Clark, BHNHE)

Enumerate evidences of higher living standards existing today, resulting from education, employment and income developments by citing secular trends in family size and composition, urbanization, gainful employment of women, and mechanization of housekeeping. Show how agricultural marketing has contributed to, or responded to, these changes by discussing such items as: (1) New knowledge of nutritional requirements of consumers by age groups and other classifications that led processors and distributors to make better food selections available so that consumers can fulfill these recognized needs. (2) The impact of a more sedentary life resulting from mechanization has altered food requirements and has led stores, hotels, and restaurants to adjust the kinds, the units, and the form of products offered for sale accordingly. (3) Higher quality foods in terms of appearance, taste, and freshness lead to better living, and new processing and handling methods have been developed to provide these higher quality, more attractive foods in fresh, frozen, and processed forms throughout the year. (4) Merchandising, self-service, and consumer educational developments have increased consumer familiarity with a wider variety of foods, thereby increasing eating enjoyment as well as better balanced diets. (5) Ready-mixed, cooked, or otherwise prepared products such as infant foods, cake mixes, and frozen concentrated orange juice have reduced kitchen work and raised the general level of cooking quality. (6) Automobiles have freed consumers from public transportation and reduced the need for delivery services. Consequently, supermarkets have provided better variety and less expensive selections for consumers. (7) Central heating has reduced the need for heavy clothing so textile and clothing manufacturers have provided products appropriate to the situation.

Emphasize that these added market services and improved marketing efficiency have broadened and expanded consumption of farm products. Show how mass processing, packaging, and distribution methods have probably reduced net costs especially when such items as kitchen wastes and store spoilage are taken into account.

O. TECHNOLOGY AND ITS PROMISE

1. Adapting Rail, Motor, and Air Transport to Market Needs. (J. C. Vinter, PMA)

This article might begin by mentioning the necessary elements of transportation service required for agricultural commodities which have been developed in previous articles, including reasonable transportation

rates and costs, adequate transportation equipment at the time it is needed, dependability and speed of service, flexibility, and the ability to meet seasonal needs of various commodities without undue cost for standby facilities. This could be followed by showing how improved transportation methods or facilities can lead to improved markets and reduced costs. Cite some historical example such as a livestock development or growth of West Coast fruit and vegetable industry.

Discuss the relative advantages and disadvantages of the different types of carriers such as rail, motor, water, and air carriers with respect to speed, flexibility, dependability, and the like in relation to volume, distance, and cost factors. Show how each can be used advantageously in some phase of agricultural marketing and indicate current trends recognizable in particular phases. For example, shifts from rail to trucks for eggs and fresh and frozen fruits and vegetables, and trends toward direct movements of products from and to farms such as bulk milk assembly, bulk feed distribution, and grain hauled direct from farm to mills. Some mention should be made of the potentialities of air transportation. The point might also be made that when one form of transportation fails to make adjustments to overcome obvious weaknesses another form may become established and be able to attract and retain the business.

Some attention might be given to the importance of equitable and nondiscriminatory transportation rates and charges for development of markets, including rate level that will encourage movement of traffic and development of new markets; and relationships between producing areas.

Examples of transportation research that have brought about improvements in marketing of agricultural commodities, such as refrigerator cars and trucks; improved loading methods and adaptation of containers to reduce transportation losses and maintain quality; and research which led to establishment of more reasonable rate structures on livestock to, from, and within the South and which aided in the growth of the livestock industry in that area, should be pointed out. These examples may be used to show the importance of discerning the need for improvements, of initiative in the study of ways to improve facilities and services, and of understanding the developing trends so that transport facilities can best be adapted to aiding these trends. The importance of research to open the way for needed improvements in transportation might be pointed out effectively in this manner.

2. Recent Trends in Processing. (G. E. Hilbert, AIC)

An earlier article entitled "Processing" is intended to portray the current magnitude, scope, major types, and economic significance of processing in marketing farm and food products. This article is intended to supplement the earlier discussion with an interesting story of the technological developments that have led to the very rapid rise of processing and that give promise of continuing trends toward more commercial processing of farm and food products.

In briefly tracing the rapid rise of processing reference might be

made to the sequence of major technological developments that permitted or facilitated the growth of off-farm processing, especially in large-scale commercial plants. A few examples to show when the inventions were made or the processes developed and how quickly the shift from farm to specialized plant processing occurred might be appropriate.

A greater share of the presentation may be devoted to more current technological progress that portends future trends. Among the factors meriting consideration might be advances in automatic controls, mechanization, byproduct utilization, waste disposal, electronic pasteurization or sterilization, and concentration of products.

Inasmuch as the succeeding article in the book deals with refrigeration and food freezing, reference to this type of processing should be confined to casting in the perspective of the over-all processing picture, leaving detailed discussion to the next article. The point might be made that we have reached a stage where most foods are subjected to some processing before they reach the consumer.

3. From Refrigeration to Food Freezing. (James A. Nixon and Harold D. Johnson, PMA)

This article should be essentially the story of refrigeration showing how our marketing system for perishables would be impossible without the use of refrigeration and that without refrigeration all perishables would have to be consumed shortly after they are produced or canned or placed in some other form to preserve them. Some of the earlier developments in the refrigeration field should be brought out showing the use of ice, refrigerators in the home, in meat stores, and other specific points in the marketing system. Then it should be shown what happened when these refrigerators were placed on wheels so that perishables could be moved considerable distances, followed by the rise of refrigerated warehouses which hold the products from one season to the next. At this stage it should be pointed out how this steadily increasing use of refrigeration has improved the diet of the American people, expanded the outlets for farm products, opened new areas to production, reduced fluctuations in market prices, and reduced deterioration and spoilage of products as they move through the marketing channel. Some of the ups and downs of the refrigeration industry might be pointed out, including the prejudice and legislation against cold storage, the problems of controlling quality of stored products, etc. After having discussed the use of refrigeration as indicated above, the article should proceed to a discussion of the rapid recent growth of the frozen food industry which is essentially a process of refrigerating products to a still lower temperature at the time they are harvested so that they can move through the marketing channel in frozen form which will maintain the quality better than when they are moved through the marketing channel in fresh form with only a moderate amount of refrigeration. Attention should be given to the growth of the frozen food industry, the relative importance of frozen foods in the different commodity groups, methods of frozen food distribution, and home freezers. The article should close with some reference to what the future holds for refrigeration and frozen foods and how further developments in these fields can improve the marketing process with benefits to both producers and consumers.

4. Saving Labor in Handling and Distribution. (W. H. Elliott, PMA)

This article should begin by pointing out that a greater part of the marketing bill goes to pay the wages of labor and that much of this labor is spent in the manual handling of products at various places throughout the marketing system. It might then show the large number of times that individual containers are usually handled as they pass through the marketing system. This should be followed by a discussion to show that some handling can be eliminated and by use of labor-saving devices other handling can be performed at less cost and with reduced damage to the product. Following this kind of introduction several illustrations should be given of labor-saving devices used in the marketing system, beginning with some labor-saving devices in use in producing areas and following with labor-saving devices used in loading cars; unloading cars; in moving products into, within, and out of warehouses; in wholesale warehouses; and in retail stores. In these illustrations of machines doing the handling some indication should be given of the increased productivity that results from their use at a few of these points in the marketing channel.

A liberal sprinkling of photographs of handling methods at various places in the marketing channel might accompany this article. The article might close by pointing out the growing interest in developing better handling equipment and methods in order to increase worker productivity, reduce handling costs, and give the consumer the product in better condition, suggesting that this offers one of the most promising ways to improve marketing.

5. Opportunities for Quality Maintenance and Improvement. (V. T. Pentzer, PISAE)

This article might begin by pointing out the tremendous losses that result from deterioration and spoilage of products as they pass through the marketing system, citing as illustrations such figures as are available and pointing out some of the places in the marketing system where the greatest losses occur. After establishing the nature and magnitude of these losses, the article should then proceed to pointing out some of the things that have been done in recent years to reduce or eliminate this deterioration and spoilage such as better handling, better storage, better transportation, better packaging, better use of refrigeration, etc. After having established the fact that something can be done to cut down this waste, the article should then proceed to looking to the future by pointing out some of the places where improvement is most needed and giving some ideas of the types of technological improvement that might be expected within the foreseeable future and the effects that further reduction of deterioration and spoilage would have on producers, consumers, and marketing costs. In writing this article, the author should not overlook the fact that processing products places them in a condition where their quality is more likely to be maintained and mention should be made of the possibilities of the development of new processing techniques to attain this objective, including such things as the possibility of new inventions such as the "Capacitron." In dealing with places where this deterioration and spoilage occur, the author should be careful in discussing retailing

to make certain that the reader does not get the impression that all the deterioration and spoilage which shows up in the retail store was caused at the retail level. In considering loss and damage, losses in vitamin content and other nutritive values to the detriment of consumer diets should not be overlooked. Suggest that consumer education could make a distinct contribution by helping them to discriminate in their purchases and avoid spoilage at home.

6. Packaging for Mass Distribution. (Donald R. Stokes, PMA)

This article should begin by pointing out that most foods have to be placed in a package one or more times before the consumer acquires them. In the case of canned foods this is done at the processing plant. In the case of fresh commodities it may be done at some point just before the consumer acquires them or after he has purchased them. The tendency for more products to be placed in consumer size packages before they are purchased by the consumer should be brought out and it should be shown that this creates the problem of making certain that the packages are of the right size and that there is some way for the consumer to know the quality of the product in the package. The need for the packages to be made out of materials that will properly protect the product should be mentioned, along with the tendency of consumers to buy in smaller quantities because of their lack of storage space. In this connection the importance of getting packages of a shape that will require a minimum of space for storage should be brought out. The dependence of supermarkets in self-service retailing on packages should be emphasized. Some of the incentives that have led to prepackaging should be enumerated. Show how it can be regarded as a labor-saving device for salesmanship as well as for handling and distribution. Show the degree to which it is mechanized. Discuss the greater responsibilities of the seller when goods are prepackaged because consumers place greater reliance upon him for assurance of quality of products within the container. After the developments in this field have been discussed, the article should close by pointing out some of the potentialities of getting greater mass distribution and greater mechanization in retailing through further use of packaging.

P. CHANGES IN MARKET ORGANIZATIONS AND INSTITUTIONS

1. Chain Stores Introduce a Trend. (I. T. Grether and others, Univ. of Calif.)

This article should serve as an interesting introductory discussion for several articles that follow dealing with particular aspects of changes in market organizations and institutions. The succeeding articles discuss Bypassing the Terminals, Self-service and Supermarkets, Labor Practices and Productivity, and Applying Management Control in Marketing Firms. A background for these more detailed discussions might be provided by indicating in broad perspective the significance of the rather widespread, far-reaching, and revolutionary changes initiated or fostered by chain store developments.

An earlier article entitled Chains Versus Independents is intended to trace the rise of chain stores and indicate the position they occupy

in relative volume of grocery distribution, the nature and form of opposition they encountered as they grew, and the degree of similar horizontal integration found elsewhere in agricultural marketing such as among elevators, cold-storage warehouses, cheese factories, and canneries.

This article should outline how chain stores brought many changes in distribution by introducing or facilitating specified economies such as elimination or reduction of services, increased volume per store and per firm, and greater vertical as well as horizontal integration. Discuss specific contributions such as promoting cash-and-carry, reducing labor in retail stores, narrowing retail margins, adjusting prices more frequently in line with wholesale price changes, locating and arranging stores more economically, combining wholesale and sometimes manufacturing functions with retailing, introducing more efficient warehouses and trucking facilities. Show how these have tended to influence marketing arrangements throughout the system including the impact on nonchain competitors such as comparable groceries, papa-and-mama stores, delicatessens and food specialty stores; on suppliers such as farmers, processors, and wholesalers; on grading, packaging, and product quality developments; and on consumers' buying practices.

Indicate that these developments started trends that have culminated in supermarkets, chain supermarkets, one-stop shopping centers, and the like which will be discussed in subsequent articles.

2. Bypassing the Terminals. (Geoffrey Shepherd, Iowa State College)

This article should begin by pointing out the trend in recent years for large quantities of products to bypass terminal markets, with several illustrations to establish the point, including direct marketing of livestock from producing areas to packing plants with a smaller proportion moving through central markets; the tendency for manufacturers and retailers to deal directly with each other; bypassing the wholesale district, etc. After establishing the fact that this bypassing is going on, attention should be turned to an explanation as to why it is taking place with consideration given to the following reasons -- inefficiencies of established terminal markets, influence of more flexible transportation facilities (truck transportation), evasion of regulations, decentralized processing, spreading production and consumption areas. After explaining why the bypassing has developed, an attempt should be made to analyze the effects of this development. For instance, what effect does it have on the price-making structure to have ever-increasing quantities bypassing the price-making terminals and sold on the basis of prices established in these terminals? What effect does the bypassing of terminals have on the regularity of supplies and the ability of consumers to obtain any product they want at any time? Is this bypassing of terminals wholly bypassing or is it partly a relocation of terminals? What types of firms are in position to bypass terminals? Can conditions in terminal markets either in their present locations or in different locations be changed so as to reverse or retard this trend?

3. Self-Service and Supermarkets. (E. M. Harwell, PMA)

This article should show how self-service and supermarkets created a major revolution in retail food distribution by strengthening the independent store, changing people's buying habits, adding a long list of nonfood lines, and forcing other retailers to follow their methods. The supermarket was a child of the depression and the basic reasons for its existence were low cost, low price line, and high values. The article should then discuss the effect of the supermarket development on independents, local chains, and national chains, and proceed with a discussion of the relation between self-service and impulse buying, store reorganization, store layout, packages, brands, advertising, etc. The addition of nonfood lines should be pointed out with some discussion of the reasons why they were added, including the need for high margin items and one-stop shopping service. The advantages and disadvantages of adding nonfood lines and the major lines carried should be pointed out. Evaluate the tie-in with family auto transportation and suburbanization making self-service convenient; with weekly shopping facilitated by home refrigeration, etc. Show how it fits in with modern family life.

The article might close by discussing the outlook for supermarkets by dealing with such points as the following:

- a. Greatest growth occurred during rising prices -- what happens when prices fall;
- b. Have departed from original concept of low cost, low price line and have developed into luxurious outlets;
- c. Public has become less price conscious and demands more services -- where does this lead them;
- d. How will new technological developments affect them;
- e. What about trend toward night shopping and shorter work weeks;
- f. Where will the addition of nonfood lines stop;
- g. Are the supermarkets reducing their costs of operation -- to what extent can they reduce them; and
- h. Are new types of retailing developing that may replace them?

4. Labor Practices and Productivity. (Joe Herrick, PMA, and representative of B.L.S.)

This article might begin by pointing out that since labor costs are a major part of the marketing bill it is important both to get efficiency in marketing and to give labor employed in marketing a proper wage -- that labor engaged in these operations be used as productively as possible. Examples could then be given of inefficient uses of labor in the marketing system and of operations that are performed that are unnecessary. These examples will tend to establish the point

that such operations do account for a significant part of the cost of marketing and that engaging in them does not bring any real security or high income to the labor involved. It should also be pointed out that laborers consume a large portion of the food and that they pay for a significant portion of this inefficiency in the prices they pay for the products. Some mention might be made of the ill repute gained by the labor unions by engaging in inefficient labor practices and activities to prevent their correction, pointing out some labor practices and policies which have been detrimental to efficient marketing.

The author might then turn to examples where improved labor practices have made marketing more efficient, have made the job of the laborer less arduous and his income greater, and where labor organizations have been instrumental in bringing about these improvements. Some attention might be given in the article to specific marketing problems as they relate to labor, such as the implications of shorter work weeks and seasonal peaks at many points in the marketing system. Discuss the need for increasing labor productivity in marketing so that wages for this labor will keep abreast of wages in other sectors of the economy. Attention might be given to the spread of unionization to successful sectors of marketing -- hauling, handling, processing, and retailing; what the unions have sought and what they have achieved; and the implications for costs and efficiency. Describe arrangements that have been tried to give marketing labor more continuous employment and greater security. The article might well close by making a case for labor's interest in improved efficiency in marketing foods.

5. Applying Management Control in Marketing Firms. (F. C. Winter, PMA,
and M. E. Brunk, Cornell)

This article might point out that there is much room for improvement in marketing efficiency and for individual firms to improve their competitive position by employing more management techniques in their operations. In many firms labor is being wasted because it is not adequately supervised and its operations are not properly planned. In others, costs are high because labor is not supplied with the right kind of equipment to fit the situation. In still others, some modifications of the facilities are needed to make improved efficiency possible. In many marketing firms the accounting techniques are so faulty that the manager does not know which operations are being performed at too high a cost or which operations are unprofitable. Illustrations might be given of how proper management control has improved and can further improve the efficiency of marketing firms, including adapting engineering methods, making greater use of scientific management techniques, etc. The article might close by giving some idea of the improvements that might be made in the efficiency of marketing if proper management control is exercised throughout the marketing system, in locating facilities, in carrying on marketing operations, developing firms of the proper size, and related activities.

6. Facilitating Pricing and Distribution Through Market Organization.
(Herman Southworth, BAE)

This article is intended to indicate how market organization has considerable influence on methods of pricing and distribution and to suggest possible improvements in established methods and pricing that might be made by improving certain aspects of marketing. Included would be a discussion of the possibility of improving pricing by developing methods of relating prices more directly to the quality of the product. For instance, pricing of livestock might be improved by paying more attention to carcass weight and grade and that of wheat may be improved by developing a method of making its price more directly related to its suitability for the end product. Another way for improving the operations of the price-making forces would be through obtaining better market information upon which buyers and sellers can make their decisions. The problem of how to establish prices properly when they cannot be satisfactorily based on prices in central exchanges or specific terminal markets should be considered. Attention should be given to the possibilities of getting more orderly distribution through proper market organization. The potentialities and value of multiple-price systems should receive some attention. The article should include some historical discussion of how particular types of market organization have developed to meet pricing or distribution needs. It might then point out (1) cases where efficient organization of the market has failed to develop, and (2) cases where organization has proved inflexible in adapting to changes in needs from the conditions that originally brought the organization into existence. The role of Government regulatory, as well as service, programs in improving market organization should probably be referred to.

This article could well bring out what a tremendous job of organizing supply lines we face in this country.

7. Ascertaining Consumer Wants. (Trienah Meyers and Forrest Clements, BAE)

Since almost the entire output of agriculture is for the purpose of supplying the wants of consumers, it is important as a guide to production and as a means of satisfying consumers that we know more about what consumers want -- what products, what varieties, what package size, what services, what characteristics of products. After having established the importance of discovering what the consumer wants, some attention should be devoted to the methods of discovering these wants. Some attention should be given to the question of helping consumers to know what they want since it is difficult for them to be fully informed regarding all items offered for sale. How consumer wants can be reflected in grade characteristics should be considered. Some attention should be given to the question of what services consumers want and whether or not all consumers can afford these services. If not, what is the best way to provide the services for those who do want them without increasing the prices for those who do not. The section might give some attention to the need for planning production to consumer acceptance, suggesting what marketing groups or agencies should take responsibility for obtaining and responding to the relevant information intended to guide the planning.

Bring out that consumer preferences or market acceptance are not uniform and that there are market opportunities in serving the atypical or "minority groups" as well as the "average" consumers.

Try to provide a fairly comprehensive review of the methods and techniques that are or can be employed to help evaluate consumer wants and effective demand and thereby provide perspective regarding how consumption or disappearance data, preference surveys, analyses of market potentials, and price forecasts supplement or complement each other in helping business management to make decisions.

Q. TOWARD A BETTER MARKETING SYSTEM

1. Is Our Marketing Efficient? (Frederick V. Waugh, BAE)

A broad appraisal article designed to set forth some of the reasons for saying that our marketing system is efficient while at the same time pointing out the areas and extent to which it is not efficient. This would naturally lead to the conclusion that, while it is good, it can be improved, and open up the question as to how to go about improving it.

Aspects that might be touched upon include some of the conflicts between different approaches to efficiency -- e.g., efficiency in performing unnecessary operations, technological efficiency through large scale vs. the social efficiency of allocation under competition, static efficiency vs. flexibility in a dynamic economy, "efficiency" that involves the limitation of consumers' choices. Also problems of getting more efficiency methods into operation, especially changes that seem to require extensive reorganization rather than the piece-meal approach.

Endeavor to suggest the significant criteria for judgment, the adequacy of our knowledge, and the directions in which improvements should be sought, rather than to give a yes-or-no answer to the question.

2. Research as a Dynamic Force. (Joseph G. Knapp, FCA)

A promotional article. Cite the great increase in importance of research throughout our society in recent years, and in application to agriculture and to agricultural marketing in particular. Review the historical development of agricultural marketing research in terms both of significant developments with respect to resources and institutions, public and private, and of problem foci at successive stages of development. Outline resources currently being used, including roles of various disciplines engaged, and the subject-matter pattern, with classification as to descriptive vs. problem-solving, basic vs. applied, etc. Compare marketing research with that in other fields from standpoint of advancement in our understanding of the field. Illustrate throughout with examples of significant contributions that research, public and private, has made and can make to improvement of agricultural marketing. Explore the possibility of suggesting criteria or evidence of marketing research potentialities comparable perhaps with the material being developed by Dr. B. T. Shaw for agricultural production research.

3. Education Promotes Improvement. (Maurice Bond and Frances Scudder, Cornell University)

Review the historical development of extension and other educational work in marketing, citing outstanding developments both in resources and institutions involved and in methods and fields included at successive stages of development. Relate to and compare with extension in production and other phases of agriculture. Include work of trade associations and other private groups as well as publicly supported work. (Include outlook work as extending market forecasting -- tying marketing information to production.) Outline the current scope of the work at the producer, trade, and consumer levels, including relationships with research, regulatory, and service agencies. Illustrate throughout with examples of significant contributions made by educational programs, public and private, in increasing efficiency or otherwise improving the marketing of agricultural products. (Stick close to educational activities as such, avoiding the service-type activities that are the subject of the succeeding article.)

Explore the possibility of suggesting criteria or evidence of marketing education potentialities in terms of the universe yet to be covered, the contributions it can make or the knowledge available and yet to be effectively disseminated or adopted, and the educational media or channels now inadequately utilized.

A comparable promotional article on research will precede this article.

4. Technical Assistance Speeds Advance. (Warren W. Oley, New Jersey Dept. of Agriculture, and John A. Winfield, North Carolina Dept. of Agriculture)

Describe the development of service agencies, public and private, in agricultural marketing, and indicate their present scope and importance in this industry in which numerous small operators engage, lacking technical training or the resources to hire expertly trained personnel. Avoid detailed description of grading and inspection, market news, and other service and regulatory programs that are covered in separate articles. Emphasize, rather, the contribution made by service activities that help handlers, distributors, etc., improve their individual operations or work together to solve common problems. Illustrate throughout with concrete examples of increased efficiency or other improvements brought about through the service programs.

Endeavor to supply criteria or evidence indicative of the potentialities for technical assistance work with agencies engaged in marketing farm and food products. This will be the third in a series of similar articles; the first one dealing with research, and the second with extension or educational work. This provides opportunity to suggest the supplementary or complementary relationship between technical assistance and these other activities to get research and knowledge put into practice, especially by groups who may need it most.

5. Basic Requirements: Flexibility and Competition. (Harry C. Trelogan, ARA)

A forward-looking conclusion, laying out both the problems and the opportunities that face agricultural marketing over the years ahead, and pointing to flexibility and competition as two characteristics basic to the past success of the marketing system in contributing to rising standards of living in our growing and changing economy, and that are essential for successful future performance. Flexibility is needed to permit taking advantage of new technological developments in marketing itself, and to enable the marketing system to adjust to changing production conditions and changing demands by consumers. Competition is needed to maintain flexibility and to assure that the benefits of improvements are spread -- in general, to keep the system on its toes, on the lookout for ways to serve the public better. Illustrate the points made with examples of how new developments have been spread rapidly where not barred by monopolistic forces or ingrown rigidities, and of how these forces have in some past instances retarded improvements. Call attention to some current trends and influences making for flexibility or rigidity in important phases of marketing.

R. MARKETING ATLAS

1. Food Grains. (R. E. Post, FAE, and Edward Murphy, PMA)

Discussion (1800 words)

1. Production -- important areas, quantity, kinds, etc.
2. Utilization -- domestic outlets.
3. Marketing problems -- peculiar to marketing of grain, such as:
 - a. Grades and standards
 - b. Transportation
 - c. Warehousing -- for example, conditioning, blending, etc., related to production practices.
4. International trade -- amounts, relation to total, kinds.

Charts -- using wheat

1. Maps showing producing areas -- $\frac{2}{3}$ page.
2. Costs and margins -- $\frac{1}{2}$ page.
3. Flow chart -- marketing channels and products -- 1 page.

2. Feed Grains. (Malcolm Clough, BAE, and James V. Browning, PMA)

Discussion (about 1800 words)

1. Production -- important producing areas, quantity, kinds, etc.
2. Utilization -- domestic outlets, feeding areas, etc.
3. Marketing problems peculiar to feed grains, such as:
 - a. Grades and standards
 - b. Transportation
 - c. Warehousing -- for example, conditioning, relation to feeding areas, etc.
4. International trade -- amounts, kinds, relation to total.

Charts -- using corn

1. Map showing producing areas -- $\frac{1}{2}$ page.
2. Costs and margins -- $\frac{1}{2}$ page.
3. Flow chart -- marketing channels -- 1 page.

3. Livestock. (Charles A. Burmeister and Harold Breimyer, BAE)

Discussion (1800 words)

1. Production -- total production of cattle, veal calves, hogs, and sheep
 - a. Heavy producing areas
 - (1) Cattle -- range and feeding areas
 - (2) Hogs -- the Hog Belt -- corresponds to Corn Belt.
2. Utilization -- meats, hides, pharmaceuticals, oleo processed, etc.
3. Marketing -- special marketing problems peculiar to the commodity, such as:
 - a. Direct to packer or processor
 - b. Transportation
 - c. Grades and standards
 - d. Local auctions.
4. International trade -- amount, products, relative importance.

4. Poultry, Including Turkeys and Eggs. (Edward Karpoff, BAE, and John Scanlan, FCA)

Discussion (1800 words)

1. Production -- areas of production of eggs and meat. Include mention of turkey development.
2. Utilization -- meat, eggs, hatchery processed eggs, bakery, confections, etc.
3. Marketing problems -- live vs. dressed poultry, transportation, egg breakage, handling from farm to market, etc.
4. International trade -- volume, kinds, relative importance.

Charts

1. Producing areas -- eggs and broilers indicated if possible -- $\frac{1}{2}$ page.
2. Costs and margins -- use eggs -- $\frac{1}{2}$ page.
3. Flow chart -- marketing channels -- use eggs -- producers to central market with indications of amounts to different uses -- 1 page.

5. Dairy Products. (Max F. Hinds, EXT, and Herbert Kriesel, EAL)

Discussion (1800 words)

1. Production -- principal areas for fluid and manufacturing; significant recent changes.
2. Utilization
 - a. Fluid milk
 - b. Processed -- concentrated, condensed, dried, casein, etc.
 - c. Products -- butter, cheese, dried, etc.
3. Marketing problems -- pricing problems, controls, health and sanitation, cost of refinements, services, etc.
4. International trade -- volume, products, relative importance, etc.

Charts

1. Producing areas -- fluid and manufacturing -- $\frac{1}{2}$ page.
2. Costs and Margins -- $\frac{1}{2}$ page.
3. Flow chart -- using fluid milk, show marketing channels from producer to processing plants indicating diversions to butter, cheese, etc., and final amounts to consumers for fluid use, back to processing and other products -- 1 page.

6. Fruits and Vegetables. (Reginald Royston, LAE, and Arthur Browne, PMA)

Discussion (1800 words)

1. Production -- principal fruit and vegetable areas.
2. Utilization -- fresh, processed, including canned, frozen, and dried, etc.
3. Marketing problems -- grades, for wholesale and retail; transportation; marketing facilities; handling methods, etc.
4. International trade -- kinds of products, volume, importance.

Charts

1. Map of producing areas -- $\frac{1}{2}$ page.
2. Costs and margins -- select appropriate commodity for illustration -- $\frac{1}{2}$ page.
3. Flow chart -- marketing channels, producer to central market -- 1 page.

7. Tobacco. (James L. Thigpen, PMA, and A. G. Conover, LAE)

Discussion (1600 words)

1. Producing areas -- types.
2. Utilization -- cigarettes, cigars, smoking, snuff, insecticides, etc.
3. Marketing problems -- grades and the use of grades, auction sales, facilities, condition, storage, aging, etc.
4. Foreign trade -- kinds, volume, significance in total trade, etc.

Charts

1. Producing areas, by kinds -- $\frac{1}{2}$ page.
2. Costs and margins -- probably cigarettes as example -- $\frac{1}{2}$ page.
3. Flow chart -- marketing channels from producer to manufacturing plant -- 1 page.

8. Cotton. (Maurice R. Cooper, APA, and Frank Lowenstein, BAE)

Discussion (1800 words)

1. Production -- areas, eastern and western belt, kinds, some recent shifts, etc.
2. Utilization
 - a. Clothing
 - b. Industrial -- tires, etc.
 - c. Linters, plastics, explosives, etc.
 - d. Seed -- oil, feed, etc.
3. Marketing problems
 - a. Grades and standards -- waste in sampling, permanent trade identification, ginning process in relation to grade, etc.
 - b. Our variety program
 - c. Competition with other textiles.
4. International trade -- international standards, volume, relative importance, etc.

Charts

1. Map of producing areas -- $\frac{1}{2}$ page.
2. Costs and margins -- $\frac{1}{2}$ page.
3. Flow charts -- marketing channels from producing area through gin operation to mills with indication of end products -- 1 page.

